ANNUAL FINANCIAL STATEMENTS

GROUP SALIENT FEATURES

	30 June 2019 N$'000	30 June 2018 N$'000	% Change
Revenue	**3 097 583**	2 687 174	15.3
Profit attributable to ordinary shareholders	**931 119**	397 686	134.1
Earnings per ordinary share (cents)	**450.8**	192.6	134.1
Headline earnings per ordinary share (cents)	**450.7**	194.6	131.6
Dividends declared per ordinary share (cents)	**100.0**	92.0	8.7
Special dividend per ordinary share (cents)*	**121.1**	193.6	(37.5)
Net asset value per ordinary share (cents)	**946.7**	785.8	20.5
Return on ordinary shareholders' funds (%)	**52.0**	26.3	98.2

** A special dividend of N$250 000 000 (2018: N$400 000 000) was declared. The above amount was rounded for disclosure purposes.*

FIVE-YEAR SUMMARY OF RESULTS

N$'000	12 Months 30 June 2019	12 Months 30 June 2018	12 Months 30 June 2017	12 Months 30 June 2016	12 Months 30 June 2015
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
Property, plant and equipment	**995 967**	1 018 719	988 241	983 365	871 133
Investment in joint venture	**-**	–	–	–	28 325
Investment in associate	**855 366**	404 824	438 265	610 526	–
Other non-current assets	**33 051**	37 544	41 888	25 530	16 762
Non-current assets held for sale	**-**	–	10 005	–	4 500
Current assets	**1 221 135**	1 250 092	1 016 774	850 796	816 429
	3 105 519	2 711 179	2 495 173	2 470 217	1 737 149
Issued capital	**1 024**	1 024	1 024	1 024	1 024
Non-distributable reserves	**(103)**	(97)	160	249	(3)
Retained income	**1 954 353**	1 622 001	1 405 101	1 256 521	1 043 078
Ordinary shareholders' equity	**1 955 274**	1 622 928	1 406 285	1 257 794	1 044 099
Interest-bearing loans and borrowings (non-current)	**183 508**	285 480	384 379	479 739	13 821
Other non-current liabilities	**206 865**	217 158	217 011	212 949	207 274
Current liabilities	**759 872**	585 613	487 498	519 735	471 955
	3 105 519	2 711 179	2 495 173	2 470 217	1 737 149
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
Turnover	**3 097 583**	2 687 174	2 708 978	2 425 885	2 434 177
Operating expenses	**(2 445 672)**	(2 074 089)	(2 097 965)	(1 885 211)	(1 927 663)
Operating profit	**651 911**	613 085	611 013	540 674	506 514
Finance costs	**(42 455)**	(43 325)	(50 923)	(39 412)	(8 847)
Finance income	**26 607**	32 623	18 304	18 315	22 000
Equity loss from joint venture	**-**	–	–	(38 917)	(124 593)
Equity profit/(loss) from associate	**450 542**	(33 441)	(155 717)	27 453	–
Profit before income tax	**1 086 605**	568 942	422 677	508 113	395 074
Income tax expense	**(155 486)**	(171 256)	(104 249)	(135 643)	(136 092)
Profit attributable to ordinary shareholders	**931 119**	397 686	318 428	372 470	258 982
CONSOLIDATED STATEMENTS OF CASH FLOWS					
Cash generated by operations	**691 008**	709 589	695 841	654 065	736 481
Dividends paid	**(598 274)**	(181 745)	(169 354)	(159 027)	(146 636)
Taxation paid	**(172 198)**	(170 026)	(128 762)	(137 764)	(123 516)
Employer benefit payments on post-employment benefits plans	**(1 579)**	(728)	(935)	–	–
Net cash flow from operating activities	**(81 043)**	357 090	396 790	357 274	466 329
Net cash flow applied to investing activities	**(94 505)**	(127 840)	(142 842)	(770 111)	(253 872)
Net cash flow from financing activities	**(55 859)**	(158 029)	(99 602)	347 061	(4 179)
Net (decrease)/increase in cash and cash equivalents	**(231 407)**	71 221	154 346	(65 776)	208 278

SUMMARY OF STATISTICS

	12 Months 30 June 2019	12 Months 30 June 2018	12 Months 30 June 2017	12 Months 30 June 2016	12 Months 30 June 2015
ORDINARY SHARE PERFORMANCE					
Weighted average number of shares in issue ('000s)	**206 529**	206 529	206 529	206 529	206 529
Earnings per ordinary share (cents)	**450.8**	192.6	154.2	180.3	125.4
Headline earnings per ordinary share (cents)	**450.7**	194.6	229.6	185.7	187.1
Dividends paid per ordinary share (cents)	**96.0**	88.0	82.0	77.0	71.0
Special dividend paid per ordinary share (cents)	**193.7**	–	–	–	–
Dividend cover (times)	**1.6**	2.2	1.9	2.3	1.8
Net asset value per ordinary share (cents)	**946.7**	785.8	680.9	609.0	505.5
PROFITABILITY AND ASSET MANAGEMENT					
Operating margin (%)	**21.0**	22.8	22.6	22.3	20.8
Return on total assets (%)	**32.0**	29.7	32.1	31.4	32.6
Return on ordinary shareholders' funds (%)	**52.0**	26.3	23.9	32.4	26.2
LIQUIDITY AND LEVERAGE					
Total liabilities to total shareholders' funds (%)	**49.5**	55.1	63.5	81.1	48.5
Financial gearing ratio (%)	**20.4**	24.4	35.0	41.7	11.4
Interest cover (times)	**16.0**	14.9	12.4	14.2	59.7
Current ratio (times)	**1.6**	2.1	2.1	1.6	1.7

DEFINITIONS

Dividend cover
Profit attributable to ordinary shareholders divided by dividends paid in the year.

Net asset value per share
Ordinary shareholders' equity divided by the total number of ordinary shares in issue.

Operating margin
Operating profit expressed as a percentage of revenue.

Total assets
Property, plant and equipment, current and non-current assets.

Return on total assets
Operating profit plus finance income expressed as a percentage of average total assets (excluding investment in associate).

Return on ordinary shareholders' funds
Profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.

Total liabilities
Interest-bearing loans and borrowings, other current and non-current liabilities. Deferred taxation and income are excluded.

Financial gearing ratio (%)
Interest-bearing loans and borrowings expressed as a percentage of ordinary shareholders' equity.

Interest cover
Operating profit plus finance income divided by finance costs.

Current ratio
Current assets divided by current liabilities.

ORDINARY SHARE OWNERSHIP

	Number of shareholders	%	Number of shares	%
HOLDINGS				
1 – 1 000	**873**	**62.22**	**411 526**	**0.20**
1 001 – 50 000	**472**	**33.64**	**3 053 444**	**1.48**
50 001 – 100 000	**19**	**1.35**	**1 370 386**	**0.66**
100 001 – 10 000 000	**36**	**2.57**	**20 932 730**	**10.14**
10 000 001 and above	**3**	**0.21**	**180 760 914**	**87.52**
	1 403	**100.00**	**206 529 000**	**100.00**
CATEGORY				
Corporate bodies	**29**	**2.07**	**123 008 667**	**59.55**
Nominee companies	**103**	**7.34**	**75 186 864**	**36.41**
Private individuals	**1 246**	**88.81**	**6 748 234**	**3.27**
Trusts	**25**	**1.78**	**1 585 235**	**0.77**
	1 403	**100.00**	**206 529 000**	**100.00**

SHAREHOLDER SPREAD

The spread of shares held by non-public and public shareholders was as follows:

	at 30 June 2019 %	at 30 June 2018 %
Non-public shareholders		
– Holding company	**59.4**	59.4
– Directors and their associates	**0.1**	0.1
Public shareholders	**40.5**	40.5
	100.0	100.0

MAJOR INDIVIDUAL HOLDINGS

With the exception of nominee holdings, the register of shareholders does not reflect individual beneficial shareholdings at 30 June 2019 in excess of 1% of the total issued capital of the Company.

FINANCIAL REVIEW

ACCOUNTING POLICIES

NBL's accounting policies comply with International Financial Reporting Standards and are consistent with those of the previous reporting year with the exception of the adoption of IFRS 9 and IFRS 15 in the current year.

REVENUE

Consolidated revenue increased by 15.3% from N$2 687 million to N$3 098 million for the year ended 30 June 2019. The increase in revenue is primarily driven by the increase in South African volumes.

OPERATING PROFIT

The Group's operating profit for the year ended 30 June 2019 showed an increase of 6.33% over the previous reporting period. This translates into an operating margin of 21.0% compared with 22.8% reported for the previous financial year.

TAXATION

The taxation charge for the year ended 30 June 2019 was N$155 million, while the previous reporting period reflected a higher charge of N$171 million. The decrease is due to the recognition of tax receivable from SARS and in the prior year a significant portion of 2017's tax was paid as a top-up in 2018. (Refer to note 22.)

The accumulated tax losses of the Group's wholly owned South African and Botswana subsidiaries have not been recognised, due to uncertainty regarding future taxable income.

PROFIT AFTER TAX AND EARNINGS PER SHARE

Profit attributable to shareholders increased with 134.1% from N$398 million in the previous financial year to N$931 million in the current year, resulting in the earnings per share for the year ended 30 June 2019 increasing to 450.8 cents (2018: 192.6 cents).

These increases are as a result of NBL's investment in Heineken SA delivering an exceptional performance, with growth in volume and operating profit for the period, ahead of the original business case. Additionally, Heineken SA raised a substantial deferred tax asset derived from previously unutilised tax losses. (Refer to note 7.)

FINANCIAL POSITION

The net debt-to-equity ratio increased from -2% in the previous financial year to 11% in the year under review, following the partial repayment of the medium-term loans. (Refer to note 28.5.)

NAMIBIAN MARKET

The Namibian market remains a significant contributor to total revenues and earnings, with ***Tafel Lager*** spear-heading the overall beer growth. The Group maintained its strong market position despite a strained local economy and declining consumer spend.

SOUTH AFRICA

Heineken South Africa continues to grow its market share and started to produce accounting profits.

The increase in total equity accounted profits are mainly attributable to Heineken's increased shareholding in the South African market and improved operations. (Refer to note 7.)

EXPORTS (EXCLUDING SOUTH AFRICA)

Total beer and soft drink volumes sold to export markets decreased by 36.6% and increased by 18.7% respectively from the previous period.

CASH FLOWS

Net cash flow from operating activities decreased from N$357 million in the previous financial year to negative N$81 million in 2019. The decrease in cash flow was mainly due to the special dividend pay-out of N$400 million.

Net cash outflow from investing activities lower from N$128 million in the previous year to N$95 million in the 2019 financial year, mainly due to less capital expenditure for 2019.

Net cash outflow from financing activities decreased from N$158 million in the previous financial year to a net outflow of N$59 million in the current year. The decrease was mainly due to the withdrawal of N$100 million from the revolving facility. (See Annexure A to this Integrated Annual Report.)

APPROVAL OF FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The Company's Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, comprising the statements of financial position as at 30 June 2019, and the statements of profit or loss and other comprehensive income, the statements of changes in equity, and the statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in terms of Namibia's Companies Act, as set out in pages 93 to 160.

The Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

After due assessment of the Group and Company's ability to continue as a going concern, the Directors believe there is no reason for the business not to continue as a going concern in the financial year ahead.

The external auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with International Financial Reporting Standards and the Companies Act. Their unmodified report is available on page 90.

APPROVAL OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate financial statements of the Group and Company, as indicated above, were approved by the Board of Directors on 4 September 2019 and signed on their behalf by

S Thieme
Chairman

Marco Wenk
Managing Director
Appointed 1 July 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Namibia Breweries Limited

Opinion

We have audited the consolidated and separate financial statements of Namibia Breweries Limited and its subsidiaries ("the Group") set out on pages 93 to 160, which comprise the consolidated and separate statements of financial position as at 30 June 2019 and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the report of the Directors.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 30 June 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Valuation of the investment in associate and related losses for the year	
The valuation of the investment in Heineken South Africa Proprietary Limited (herein referred to as Heineken SA or the associate) of N$ 855.4 million (2018: N$ 404.8 million) has been noted as a key audit matter due to the significant Director judgement required in determining: • the recoverability of the investment as a whole; and • the recognition of the deferred tax asset in Heineken SA from the unused accumulated tax losses of approximately N$1.3 billion incurred in Heineken SA from previous years.	We performed specific review procedures on the management accounts of Heineken SA as at 30 June 2019 for the equity accounted profits from ongoing operations and recalculated the deferred tax asset recorded by Heineken SA at 30 June 2019. In connection with the recognition of the deferred tax asset, we assessed whether the Directors judgement and treatment was in accordance with the requirements of IAS 12: *Income taxes*. We evaluated the forecast profitability by performing retrospective reviews of the budget versus actual profit to assess the reliability of the budgeting process. We evaluated the growth rates on the forecast against the actual results, forecast inflation and industry trends and assessed the reasonableness of the assumptions used by Heineken SA.

Key audit matter	How the matter was addressed in the audit
Valuation of the investment in associate and related losses for the year	
In the current year, the Directors, after considering the current and the forecast profitability have concurred with the Heineken SA's Directors' assessment that all the unused tax losses including the previously unrecognised accumulated historical tax losses of N$1.3 billion in Heineken SA are now recoverable. The Directors have confirmed that based on the same assessment, they believe the full investment, net of equity accounted losses of N$855.4 million is recoverable.	We assessed the judgements made by the Directors' such as the cash flow forecasts against the achieved results and anticipated growth rates used to determine the recoverability of the investment as a whole in accordance with the requirements of IAS 36: *Impairment of assets*. We consider the Directors' judgements to be reasonable in determining the value of the investment as well as the treatment of deferred tax asset. The consolidated and separate financial statements incorporate appropriate disclosures relating to the valuation of the investment in associate.

Other Information

The Directors are responsible for the other information. The other information comprises the statement of Directors' responsibilities and approval which we obtained prior to the date of this report and the Integrated Annual Report. The other information does not include the consolidated and separate financial statements, report of the Directors and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Namibia and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Namibia Breweries Limited

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
ICAN practice number: 9407
Per AA Akayombokwa
Partner
Windhoek
6 September 2019

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Partners: RH McDonald (Managing Partner) H de Bruin J Cronjé A Akayombokwa AT Matenda
J Nghikevali G Brand* M Harrison*
** Director*

REPORT OF THE DIRECTORS

Founded in 1920, NBL is principally engaged in the brewing and distribution of beer and is also active in the manufacturing of soft drinks.

ACCOUNTING POLICIES

NBL's accounting policies comply with International Financial Reporting Standards and are consistent with those of the previous financial year with the exception of the adoption of IFRS 9 and IFRS 15 in the current year.

FINANCIAL RESULTS

The Group's operating profit for the year ended 30 June 2019 increased by 6.33% compared to the previous financial year. This translates into an operating margin of 21%.

DIVIDENDS PAID

Details of the ordinary dividends declared, paid and payable in respect of the 2018/19 financial year are reflected in note 24 to the financial statements. The total dividend paid for the year amounted to 96 cents per share and a special dividend totalling N$400million.

DIVIDEND DECLARATION

In addition to the interim dividend of 50 cents per ordinary share paid in May 2019, the Board of Directors declared a final dividend of 50 cents per ordinary share and a special dividend in total of N$250 million at their meeting of 4 September 2019. Payment will be effected to the shareholders of ordinary shares in the books of the Company registered at the close of business on 4 October 2019 and will be paid on 8 November 2019.

CAPITAL EXPENDITURE

Capital expenditure for the reporting year amounted to N$140.9 million (2018: N$164.3 million).

ISSUED CAPITAL

Full details of the authorised and issued capital of the Company as at 30 June 2019 are set out in note 12 to the financial statements. The 92 471 000 unissued shares of the Company are under the control of the Directors.

DIRECTORATE AND SECRETARY

The names of the Directors as well as the name and address of the Company's Secretary appear on page 166 of this report.

SUBSIDIARIES

Details of the Company's subsidiaries are set out in Annexure C of this report.

HOLDING COMPANY

The Company's holding company is Namibia Breweries Investment Holdings (Proprietary) Limited, of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International B.V. (Heineken). The Company's ultimate holding entity is The Werner List Trust.

EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any significant events subsequent to the reporting date to be accounted for or disclosed in the annual financial statements which significantly affect the financial position of the Group or the results of its operations.

STATEMENTS OF FINANCIAL POSITION

COMPANY as at 30 June 2018 N$'000	COMPANY as at 30 June 2019 N$'000		Notes	GROUP as at 30 June 2019 N$'000	GROUP as at 30 June 2018 N$'000
		ASSETS			
		Non-current assets			
982 786	**960 416**	Property, plant and equipment	4	**995 967**	1 018 719
37 544	**33 051**	Intangible assets	5	**33 051**	37 544
35 520	**35 520**	Investment in subsidiaries	6	**-**	-
404 824	**855 366**	Investment in associate	7	**855 366**	404 824
1 460 674	**1 884 353**			**1 884 384**	1 461 087
		Current assets			
289 950	**344 437**	Inventories	8	**344 437**	289 950
493 539	**628 514**	Trade and other receivables	9	**628 010**	493 609
40 720	**55 494**	Current tax receivable		**55 820**	41 046
418 758	**187 890**	Cash and cash equivalents	10	**192 603**	424 010
1 477	**265**	Derivative financial instruments	11	**265**	1 477
1 244 444	**1 216 600**			**1 221 135**	1 250 092
2 705 118	**3 100 953**	**Total assets**		**3 105 519**	2 711 179
		EQUITY AND LIABILITIES			
		Equity			
1 024	**1 024**	Share capital	12	**1 024**	1 024
-	**-**	Reserves		**(103)**	(97)
1 617 714	**1 951 602**	Retained earnings		**1 954 353**	1 622 001
1 618 738	**1 952 626**	Ordinary shareholders' equity		**1 955 274**	1 622 928
		Non-current liabilities			
285 480	**183 508**	Interest-bearing loans and borrowings	13	**183 508**	285 480
22 505	**23 550**	Post-employment medical aid and severance pay benefit plan	14	**23 550**	22 827
194 348	**183 332**	Deferred taxation liability	15	**183 315**	194 331
502 333	**390 390**			**390 373**	502 638
		Current liabilities			
111 364	**216 582**	Interest-bearing loans and borrowings	13	**215 201**	109 869
465 181	**524 775**	Trade and other payables	16	**528 091**	468 242
7 502	**16 580**	Income tax payable		**16 580**	7 502
584 047	**757 937**			**759 872**	585 613
2 705 118	**3 100 953**	**Total equity and liabilities**		**3 105 519**	2 711 179

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

COMPANY				GROUP	
for the year ended 30 June 2018 N$'000	**for the year ended 30 June 2019 N$'000**		Notes	**for the year ended 30 June 2019 N$'000**	**for the year ended 30 June 2018 N$'000**
2 667 112	**3 097 768**	**Revenue**	17	**3 097 583**	2 687 174
(2 053 371)	**(2 444 245)**	Operating expenses	18	**(2 445 672)**	(2 074 089)
613 741	**653 523**	**Operating profit**	19	**651 911**	613 085
(43 269)	**(42 455)**	Finance costs	20	**(42 455)**	(43 325)
32 463	**26 500**	Finance income	21	**26 607**	32 623
(33 441)	**450 542**	Equity (loss)/profit from associate	7	**450 542**	(33 441)
569 494	**1 088 110**	**Profit before income tax**		**1 086 605**	568 942
(171 211)	**(155 455)**	Income tax expense	22	**(155 486)**	(171 256)
398 283	**932 655**	**Profit for the year attributable to owners of the parent**		**931 119**	397 686
		Other comprehensive income/(loss):			
		Items that will not be reclassified subsequently to profit or loss:			
1 411	**1 050**	Remeasurement of net defined benefit liabilities	14	**1 050**	1 411
(452)	**(336)**	Income tax relating to items that will not be reclassified		**(336)**	(452)
		Items that may be reclassified subsequently to profit or loss:			
–	**-**	Foreign currency translation reserve (FCTR)		**(6)**	(257)
959	**714**	**Other comprehensive income for the year net of taxation**		**708**	702
399 242	**933 369**	**Total comprehensive income for the year attributable to equity holders of the parent**		**931 827**	398 388
		Basic earnings per ordinary share (cents)*	23.1	**450.8**	192.6

** There is no difference between basic and diluted earnings per share*

STATEMENTS OF CHANGES IN EQUITY

	Notes	Share capital N$'000	Non-distributable reserves N$'000	Retained earnings N$'000	Total N$'000
GROUP					
Balance at 1 July 2017		1 024	160	1 405 101	1 406 285
Profit for the year		–	–	397 686	397 686
Other comprehensive income/(loss) for the year		–	(257)	959	702
Total comprehensive income for the year attributable to equity holders of the parent		**-**	**(257)**	**398 645**	**398 388**
Dividends to equity holders	24	–	–	(181 745)	(181 745)
Opening balance as previously reported		**1 024**	**(97)**	**1 622 001**	**1 622 928**
IFRS adjustments	3	–	–	(1 207)	(1 207)
Balance at 1 July 2018		**1 024**	**(97)**	**1 620 794**	**1 621 721**
Profit for the year		–	–	931 119	931 119
Other comprehensive income for the year		–	(6)	714	708
Total comprehensive income for the year attributable to equity holders of the parent		**-**	**(6)**	**931 833**	**931 827**
Dividends to equity holders	24	–	–	(598 274)	(598 274)
Balance at 30 June 2019		**1 024**	**(103)**	**1 954 353**	**1 955 274**
COMPANY					
Balance at 1 July 2017		1 024	–	1 400 217	1 401 241
Profit for the year		–	–	398 283	398 283
Other comprehensive income for the year		–	–	959	959
Total comprehensive income for the year attributable to equity holders of the parent		–	–	399 242	399 242
Dividends to equity holders	24	–	–	(181 745)	(181 745)
Opening balance as previously reported		**1 024**	**-**	**1 617 714**	**1 618 738**
IFRS adjustments	3	–	–	(1 207)	(1 207)
Balance at 1 July 2018		**1 024**	**-**	**1 616 507**	**1 617 531**
Profit for the year		–	–	932 655	932 655
Other comprehensive income for the year		–	–	714	714
Total comprehensive income for the year attributable to equity holders of the parent		–	–	933 369	933 369
Dividends to equity holders	24	–	–	(598 274)	(598 274)
Balance at 30 June 2019		**1 024**	**-**	**1 951 602**	**1 952 626**

STATEMENTS OF CASH FLOWS

COMPANY for the year ended 30 June 2018 N$'000	COMPANY for the year ended 30 June 2019 N$'000		Notes	GROUP for the year ended 30 June 2019 N$'000	GROUP for the year ended 30 June 2018 N$'000
375 261	**(73 755)**	**CASH FLOW FROM OPERATING ACTIVITIES**		**(81 043)**	357 090
2 521 453	**2 962 793**	Cash receipts from customers		**2 963 182**	2 543 746
(1 793 663)	**(2 264 850)**	Cash paid to suppliers and employees		**(2 272 174)**	(1 834 157)
727 790	**697 943**	Cash generated by operations	25.1	**691 008**	709 589
(181 745)	**(598 274)**	Dividends paid	24	**(598 274)**	(181 745)
(170 056)	**(172 167)**	Income tax paid	25.2	**(172 198)**	(170 026)
(728)	**(1 257)**	Employer benefit payments on post-employment benefit plans	14	**(1 579)**	(728)
(145 738)	**(101 140)**	**CASH FLOW FROM INVESTING ACTIVITIES**		**(94 505)**	(127 840)
32 463	**26 500**	Finance income		**26 607**	32 623
(18 156)	**(6 528)**	Loans advanced to subsidiaries		**-**	–
(162 357)	**(123 364)**	Acquisition of property, plant and equipment		**(123 364)**	(163 070)
(1 194)	**(808)**	Acquisition of intangible assets		**(808)**	(1 194)
3 506	**3 060**	Disposals of assets		**3 060**	3 801
(157 885)	**(55 973)**	**CASH FLOW FROM FINANCING ACTIVITIES**		**(55 859)**	(158 029)
(43 269)	**(42 455)**	Finance costs		**(42 455)**	(43 325)
–	**100 000**	Proceeds from interest-bearing loans and borrowings		**100 000**	–
(114 616)	**(113 518)**	Repayment of interest-bearing loans and borrowings		**(113 404)**	(114 704)
71 638	**(230 868)**	Net increase/(decrease) in cash and cash equivalents		**(231 407)**	71 221
347 120	**418 758**	Cash and cash equivalents at the beginning of the year		**424 010**	352 789
418 758	**187 890**	**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR**	10	**192 603**	424 010

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

1. REPORTING ENTITY

Namibia Breweries Limited (the 'Company') is a company domiciled in Namibia. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries and the Group's interest in associates (together referred to as the 'Group' and individually as 'Group entities').

2. BASIS OF PREPARATION

(a) *Statement of compliance*

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Namibian Companies Act. The financial statements were approved by the Board of Directors on 4 September 2019. The accounting policies below apply to both consolidated and separate financial statements.

(b) *Basis of measurement*

The consolidated and separate financial statements are prepared on the going concern and historical cost basis, modified for the fair value treatment of financial instruments.

(c) *Functional and presentation currency*

The consolidated and separate financial statements are presented in Namibia Dollar (NAD), which is the Company's functional and the Group's presentation currency. All information presented in NAD has been rounded to the nearest thousand.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised tax losses are disclosed in notes 17 and 24 and management's judgement with regard to the recoverability of deferred tax asset in its associate in note 7.

Property, plant, equipment and intangible assets

The Group and Company depreciates and amortises items of property, plant, equipment and intangible assets down to residual value over the useful life of the assets. Management makes and applies assumptions about the expected useful life and residual value of these assets in determining the annual depreciation charge. Further details are given in the accounting policy note on depreciation. In particular, management has assumed a depreciation rate of 20% (2018: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability.

Recoverability of investment in associate
The Company's investment in the associate is carried at cost less impairment. The Directors have evaluated the value of the investment and have considered this to approximate the Company's investment less equity accounted losses at year end. Changes in the assumptions impacting expected future cash generation could affect the recoverability of the valuation of the investment in the associate. See note 7 for further details on these assumptions.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the consolidated and separate financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Investment in subsidiaries are shown at cost in the Company's financial statements.

(ii) Associates

The Group's interest in associates are accounted for using the equity method of accounting. Under the equity method, the interest in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's net share of the assets. The statement of comprehensive income reflects the share of the results of the operations of the associate. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions and any unrealised income and expenses arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Business combinations

Business combinations are recognised and measured in terms of IFRS 3 Business Combinations. Business combinations under common control are recorded at the net book value of the assets or liabilities acquired.

(c) Foreign currency

Transactions denominated in foreign currencies are initially recorded at the functional currency spot rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The results and position of consolidated entities that have a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income statement items are translated at the average rate for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

On disposal of the consolidated entity, the accumulated exchange differences in other comprehensive income are recognised in the statement of profit or loss and other comprehensive income.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased and its cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each of the items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term. The average depreciation rates for the current and comparative periods are as follows:

	2019	2018
Freehold buildings	**2%**	2%
Leasehold land and buildings	**4%**	4%
Plant and machinery	**4 – 20%**	4 – 20%
Vehicles	**20%**	20%
Furniture and equipment	**10 – 33%**	10 – 33%
Returnable containers	**20%**	20%

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Land is not depreciated. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised. Depreciation is not provided on assets during the time of construction.

(e) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands are recognised in profit or loss as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically feasible, costs can be reliably measured, future economic benefits are feasible and the Group or Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

(ii) Other intangible assets

Other intangible assets acquired by the Group or Company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

Subsequent development expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefit embodied in the specific assets to which it relates. All other subsequent expenditure is expensed as incurred.

(iv) Amortisation

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually and are not amortised. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised. Amortisation and impairment charges on intangible assets are charged to profit or loss. If an intangible asset with an indefinite life has changed to a finite life, the change is made on a prospective basis. The average amortisation rates for the current and comparative periods are as follows:

	2019	**2018**
Automation processes	**20%**	20%
Externally purchased software licences	**33.3%**	33.3%
Trademarks	**0 – 20%**	0 – 20%

(f) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Group or Company. Assets held in terms of finance leases are capitalised at the inception of the lease at the fair value of the leased item or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges (recognised as finance costs) and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under leases are recognised in profit or loss on a straight-line basis.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined as follows:

Raw materials, merchandise and consumable stores:
Purchase cost on the weighted average basis.

Finished goods and work in progress:
Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated net realisable values. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the assets that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Impairment loss reversals are recognised in profit or loss except for impairment reversals of available-for-sale equity securities, which are recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below. Accounting for finance income and costs is discussed in note 2(m) and 2(n) respectively. All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Company and Group commit to purchase the asset.

(ii) Financial assets or liabilities at fair value through profit or loss

Included in this category are derivative financial instruments. Financial assets or liabilities classified as at fair value through profit or loss are, subsequent to initial recognition, measured at fair value with changes in fair value recognised in profit or loss.

(iii) Loans and receivables

Included in this category are the loans to Group companies. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Trade and other receivables

Trade receivables, which generally have 30–60-day terms are, subsequent to initial recognition, recognised at amortised cost.

(v) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Company and Group unless otherwise stated.

(vi) Interest-bearing loans and borrowings

Included in this category are long- and medium-term financing and short-term borrowings. Non-derivative financial liabilities are recognised at amortised cost, using the effective interest method. Interest-bearing bank loans and overdrafts are recorded at the value of proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(vii) Derecognition of financial assets and liabilities

Financial assets – A financial asset is derecognised where the rights to receive cash flows from the asset have expired. Financial liabilities – A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(viii) Non-interest-bearing financial liabilities

Non-Interest-bearing financial liabilities are recognised at amortised cost.

(j) Provisions

Provisions include a post-employment medical aid benefit for specified retired employees and the severance pay provision. Provisions are recognised when the Company or Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. A provision for restructuring is recognised when the Company and Group have approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(k) Revenue

The Group recognises revenue from the following major sources:

- Sale of beer, non-alcoholic beverages and by products;
- Royalty income on the Group's brands produced and sold in other countries; and
- Rental income.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes indirect taxes, excise duty and discounts. Revenue is recognised when control of a product is transferred to a customer.

(i) Sale of goods

Revenue is recognised when the control of the goods have passed to the buyer. For sales transactions, the control passes to the buyer on delivery of the products (at a point in time).

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(iii) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(l) Finance income

Finance income comprises interest income on funds, loans to associates and Group companies. Interest income is recognised in the year that it accrues in profit or loss, using the effective interest method.

(m) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss using the effective interest method. Finance costs on qualifying assets are capitalised.

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates and tax laws enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous years. Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is not recognised for the following temporary differences:

- The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- Investments in subsidiaries and jointly controlled entities to the extent that it is probable that the temporary differences will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill. The carrying amount of deferred tax assets are reviewed at each reporting date to determine that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off deferred tax assets against deferred tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(o) Value-added tax

Revenues, expenses and assets are recognised net of the amount of value-added tax except:

- Where the value-added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value-added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value-added tax included. The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(p) Earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders. Account is taken of the weighted average number of ordinary shares in issue for the period during which they have participated in the income of the Group. The Group has no dilutive potential ordinary shares. Earnings is defined as the profit for the year after taxation and non-controlling interest.

Headline earnings per share is calculated in terms of the requirements set out in Circular 04/2018 issued by SAICA.

(q) Employee benefits

(i) Short-term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service, on an undiscounted basis. A liability is recognised for the amount expected to be paid if the Company or Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Retirement benefits

The policy of the Group and Company is to provide retirement benefits for its employees. The contribution paid by the Group and Company to fund obligations for the payment of retirement benefits is recognised as an expense in profit or loss when they are due. The Ohlthaver & List Retirement Fund, which is a defined contribution fund, covers all the Company's employees and is governed by the Pension Funds Act.

(iii) Post-employment medical benefits

The Group and Company provide for post-employment health-care benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid contributions. This scheme operates as a defined benefit plan and the cost of providing benefits under the plan is determined using the projected unit credit method.

Actuarial gains or losses, which can arise from differences between expected and actual outcomes, or changes in actuarial assumptions, are recognised immediately in other comprehensive income. The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to the pension plan, past service cost is immediately recognised as an expense.

The entitlement to the benefits is usually based on the employee remaining in service up to retirement age and completing a minimum service period.

(iv) Severance benefit obligation

In accordance with the Namibia Labour Act, 2007 (No. 11 of 2007), severance benefits are payable to an employee if the employee is dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in respect of all Group employees and is provided for in full. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains or losses are recognised in other comprehensive income and service costs are recognised in profit or loss in the year in which they occur.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. An operating segment is also a component of the Group whose operating results are reviewed regularly by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. In accordance with IFRS 8 Operating Segments, the operating segments used to present segment information were identified on the basis of the internal reports used by management to allocate resources to the segments and assess their performance. The Executive Directors (Managing Director and Finance Director) are the Group's 'Chief Operating Decision Maker' within the meaning of IFRS 8.

The operating segments have been identified and classified in a manner that reflects the nature of the products offered by the Group.

Operating segments whose total revenue, absolute profit or loss for the period or total assets are 10% or more of total Group revenue, profit or loss or total assets, are reported separately.

The measure of profit or loss used by the Chief Operating Decision Maker is EBIT (earnings before interest and taxes), which includes revenue and expenses directly relating to a business segment but excludes net finance charges and taxation, which cannot be allocated to any specific segment.

(s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Group can access at measurement date
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(t) New and revised standards

(i) Adoption of new and revised standards

The following new Standards and Interpretations that were applicable were adopted during the year. IFRS 9 and IFRS 15 led to changes in the Group's accounting policies:

New International Financial Reporting Standards		Effective for annual periods beginning on or after
IFRS 1	**First-time Adoption of International Financial Reporting Standards** Amendments resulting from Annual Improvements 2014–2016 Cycle (removing short-term exemptions)	1 January 2018
IFRS 2	**Share-based Payment** Amendments to clarify the classification and measurement of share-based payment transactions	1 January 2018
IFRS 4	**Insurance Contracts** Amendments regarding the interaction of IFRS 4 and IFRS 9	1 January 2018
IFRS 9	**Financial Instruments** Finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: • Classification and measurement • Impairment • Hedge accounting • Derecognition	1 January 2018
IFRS 15	**Revenue from Contracts with Customers** IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: • Identify the contract with the customer • Identify the performance obligations in the contract • Determine the transaction price • Allocate the transaction price to the performance obligations in the contracts • Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018

New/Revised International Financial Reporting Standards		Effective for annual periods beginning on or after
IFRIC 22	**Foreign Currency Transactions and Advance Consideration** The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepayment asset or deferred income liability is non-monetary.	1 January 2018
IAS 28	**Investments in Associates and Joint Ventures** Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)	1 January 2018
IAS 40	**Investment Property** Amendments to clarify transfers or property to, or from, investment property	1 January 2018

(ii) Standards and amendments issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

New/Revised International Financial Reporting Standards		Effective for annual periods beginning on or after
IFRS 16	**Leases** IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	1 January 2019
IFRIC 23	**Uncertainty over Income Tax Treatments** The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively • Assumptions for taxation authorities' examinations • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates • The effect of changes in facts and circumstances	1 January 2019

The directors have not formally assessed the impact of adopting these standards but do not currently expect the adoption of any of these standards to have a significant impact on these accounts. These Standards and Interpretations will be adopted at the respective effective dates.

(u) Changes in accounting policies

(i) Application of IFRS 9 Financial Instruments

In the current year, the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets, and 3) general hedge accounting. Details of these new requirements as well as their impact on the Group's financial statements are described below.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(ii) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 July 2018. Accordingly, the Group has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 1 July 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018. Comparatives in relation to instruments that have not been derecognised as at 1 July 2018 have not been restated.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.
- Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.
- All other debt investments and equity investments are subsequently measured at fair value through profit or loss, unless specifically designated otherwise.
- The Group may, on initial recognition, irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income.
- The Group may irrevocably designate a debt instrument that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

- When a debt instrument measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.
- Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to new impairment provisions using an expected loss model. This contrasts with the incurred loss model of IAS 39.

(iii) Debt instruments

Debt instruments classified as held-to-maturity and loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows. These cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(iv) Debt instruments designated as at fair value through profit or loss (FVTPL)

In the current year, the Group has not designated any debt instruments that meet the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss. In addition, there were no such instruments which were measured at fair value through profit or loss under IAS 39 that have been de-designated either voluntarily or because they no longer meet the designation criteria.

(v) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on debt instruments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 1 July 2018, the Directors reviewed and assessed the Group's existing financial assets and amounts due from customers for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 1 July 2017 and 1 July 2018.The result of the assessment is as follows:

Items existing on 1 July 2018 that are subject to the impairment provisions of IFRS 9	Credit risk attributes at 1 July 2018	Cumulative additional loss allowance recognised on 1 July 2018
Trade and other receivables	The Group applies the simplified approach and recognises lifetime expected credit losses for these assets.	N$566 384

The additional loss allowance is charged against the respective asset or provision for financial guarantee. The application of the IFRS 9 impairment requirements has resulted in an additional loss allowance of N$566 384 to be recognised in the current year (2018: N$Nil).

(vi) Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss.

Apart from the above, the application of IFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

(vii) Application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as revised in April 2016) and the related consequential amendments to other IFRSs. IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services.

IFRS 15 introduces a five-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

The Group has applied IFRS 15 with an initial date of application of 1 July 2018 in accordance with the cumulative effect method, by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at 1 July 2018. The comparative information has therefore not been restated. The amount recognised amounted to N$1 207 361 as disclosed on the Statement of Changes in Equity.

The main changes are explained below:

(viii) Provision on settlement discounts

IFRS 15 changed the accounting for settlement discount specifically on the timing of recording settlement discount. Settlement discount set out in customer contracts and/or trade agreements forms part of revenue and is set off against it. A provision is created on all current receivable amounts where settlement discount is applicable, reducing revenue by increasing settlement discount.

The tables below summarise the impact of adopting IFRS 15, and compares financial information for the current period with what it would have been if IFRS 15 had not been adopted.

Impact on profit or loss for the year ended 30 June 2019:

	As reported N$'000	Adjustments N$'000	Without IFRS 15 adoption N$'000
Increase/decrease in revenue	**3 097 583**	**(546)**	**3 097 037**

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		4. PROPERTY, PLANT AND EQUIPMENT		
		At cost		
189 772	**226 817**	Freehold land and buildings	**261 040**	223 995
6 610	**6 830**	Leasehold land and buildings	**8 988**	8 768
1 133 733	**1 201 152**	Plant and machinery	**1 202 822**	1 135 403
116 068	**126 173**	Vehicles	**126 163**	116 058
79 143	**90 392**	Furniture and equipment	**90 851**	79 602
389 038	**426 581**	Returnable containers	**426 581**	389 038
75 475	**11 899**	Assets under construction	**11 919**	75 494
1 989 839	**2 089 845**		**2 128 365**	2 028 358
		Accumulated depreciation		
34 991	**38 660**	Freehold land and buildings	**38 660**	34 991
3 589	**3 746**	Leasehold land and buildings	**5 904**	5 747
617 107	**674 134**	Plant and machinery	**674 735**	617 377
72 437	**74 536**	Vehicles	**74 525**	72 426
55 078	**63 375**	Furniture and equipment	**63 596**	55 248
223 851	**274 978**	Returnable containers	**274 978**	223 851
1 007 053	**1 129 429**		**1 132 398**	1 009 639
		Carrying value		
154 782	**188 157**	Freehold land and buildings	**222 380**	189 005
3 021	**3 084**	Leasehold land and buildings	**3 084**	3 021
516 626	**527 019**	Plant and machinery	**528 087**	518 026
43 630	**51 637**	Vehicles	**51 638**	43 632
24 065	**27 017**	Furniture and equipment	**27 255**	24 354
165 187	**151 603**	Returnable containers	**151 603**	165 187
75 475	**11 899**	Assets under construction	**11 919**	75 494
982 786	**960 416**		**995 967**	1 018 719

Refer to Annexure B for details regarding the movement in property, plant and equipment for the year.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Leased assets

Included above are leased vehicles and leasehold property under a number of finance lease agreements, details of which are set out below:

Company 2018 N$'000	Company 2019 N$'000		Group 2019 N$'000	Group 2018 N$'000
		Vehicles		
50 980	**57 030**	At cost	**57 030**	50 980
(23 480)	**(28 786)**	Accumulated depreciation	**(28 786)**	(23 480)
27 500	**28 244**	Carrying value	**28 244**	27 500

The leased vehicles are encumbered in terms of finance lease agreements (see note 13 and 27).

Company 2018 N$'000	Company 2019 N$'000		Group 2019 N$'000	Group 2018 N$'000
		Property		
6 610	**6 831**	At cost	**6 831**	6 610
(3 589)	**(3 746)**	Accumulated depreciation	**(3 746)**	(3 589)
3 021	**3 084**	Carrying value	**3 084**	3 021

Land and buildings

The Group's land and buildings are not encumbered. Details of the Group's land and buildings are maintained for inspection at the registered office of the Company.

Refer to note 13 in respect of secured leased assets and moveable assets.

5. INTANGIBLE ASSETS

Company 2018 N$'000	Company 2019 N$'000		Group 2019 N$'000	Group 2018 N$'000
		At cost		
33 910	**34 718**	Automation processes	**34 718**	33 910
11 000	**11 000**	Trademarks	**11 000**	11 000
19 751	**19 751**	Software licences	**19 751**	19 751
64 661	**65 469**		**65 469**	64 661
		Accumulated amortisation		
11 271	**14 155**	Automation processes	**14 155**	11 271
733	**1 133**	Trademarks	**1 133**	733
15 114	**17 131**	Software licences	**17 131**	15 114
27 118	**32 418**		**32 418**	27 118
		Carrying value		
22 639	**20 563**	Automation processes	**20 563**	22 639
10 267	**9 867**	Trademarks	**9 867**	10 267
4 638	**2 621**	Software licences	**2 621**	4 638
37 544	**33 051**		**33 051**	37 544

Refer to Annexure B for details regarding the movement in intangible assets for the year.

COMPANY 2018 N$'000	COMPANY 2019 N$'000			GROUP 2019 N$'000	GROUP 2018 N$'000
		6.	**INVESTMENT IN SUBSIDIARIES (ANNEXURE C)**		
35 520	**35 520**		Shares at cost		
(1 495)	**(1 381)**		Loans from subsidiaries		
–	**301**		Loans to subsidiaries		
34 025	**34 440**				
(1 495)	**(1 080)**		Current		
35 520	**35 520**		Non-current		
34 025	**34 440**		Net investment in subsidiaries		
			The loans are interest free and have no fixed repayment terms.		
		7.	**INVESTMENT IN ASSOCIATE**		
438 265	**404 824**		Opening balance	**404 824**	438 265
–	**334 693**		Recognition of deferred tax asset	**334 693**	–
(33 441)	**115 849**		Equity profit/(loss) from associate	**115 849**	(33 441)
404 824	**855 366**		Carrying amount of the investment	**855 366**	404 824
			Disclosed as		
–	**-**		Current	**-**	–
404 824	**855 366**		Non-current	**855 366**	404 824
404 824	**855 366**			**855 366**	404 824
			Equity profit/(loss) from associate		
(33 441)	**115 849**		Equity accounted profit/(loss) (ongoing operations)	**115 849**	(33 441)
–	**334 693**		Recognition of deferred tax asset	**334 693**	–
(33 441)	**450 542**			**450 542**	(33 441)

The Directors of Heineken South Africa (Proprietary) Limited have assessed that Heineken South Africa (Proprietary) Limited's assessed loss of N$1.3bn is recoverable and have thus recognised the deferred tax asset arising from the assessed loss. The Directors of the Group agreed with this assessment. The most significant factor in the assessment is the turnaround made by Heineken South Africa (Proprietary) Limited as they are currently recording profits above initial forecasts and should continue generating taxable profits going forward. As a result the Group recorded their 25% share of the deferred tax asset.

The closing balance of the investment includes a capital loan of N$73.6 million owed by Heineken South Africa (Proprietary) Limited. The loan to the associate is unsecured and bears interest at JIBAR +2%. Trade receivables from the associate are disclosed in note 9.

COMPANY				GROUP	
2018 N$'000	**2019 N$'000**			**2019 N$'000**	**2018 N$'000**
		7.	**INVESTMENT IN ASSOCIATE** (continued)		
			The summarised financial information of material associates at 30 June and for the years then ended is as follows:		
			Summarised statement of financial position		
			Current assets	**1 137 600**	2 009 420
			Non-current assets	**6 376 700**	5 228 939
				7 514 300	7 238 359
			Current liabilities	**2 990 300**	3 974 014
			Non-current liabilities	**1 604 200**	1 568 264
				4 594 500	5 542 278
			Summarised statement of profit or loss and comprehensive income		
			Revenue	**9 333 017**	7 070 927
			Other income and expenses	**(8 675 766)**	(7 250 885)
			Profit/(loss) before income tax	**657 251**	(179 958)
			Income tax expense	**1 144 916**	46 197
			Profit/(loss) from continuing operations	**1 802 167**	(133 761)
			Equity profit/(loss) from associate	**450 542**	(33 441)
			Royalties received from associate	**105 656**	96 201
		8.	**INVENTORIES**		
65 361	**81 583**		Raw materials	**81 583**	65 361
18 841	**28 971**		Work in progress	**28 971**	18 841
85 024	**91 911**		Finished products	**91 911**	85 024
124 971	**140 003**		Consumable stores	**140 003**	124 971
7 518	**10 438**		Merchandise	**10 438**	7 518
301 715	**352 906**			**352 906**	301 715
(11 765)	**(8 469)**		Provision for obsolete inventory	**(8 469)**	(11 765)
289 950	**344 437**			**344 437**	289 950

For the 2019 financial year, the total inventory impairment amounted to N$9.2 million (2018: N$12.6 million). The impairment to inventories is included in operating expenses in profit and loss and is mainly due to expired goods and changes in packaging design.

COMPANY 2018 N$'000	COMPANY 2019 N$'000			GROUP 2019 N$'000	GROUP 2018 N$'000
		9.	**TRADE AND OTHER RECEIVABLES**		
			Financial instruments at amortised cost:		
241 781	**232 669**		Trade receivables	**232 794**	241 912
(6 607)	**(6 228)**		Allowance for credit losses	**(6 228)**	(6 607)
120 248	**156 791**		Receivables from associate (note 26.2)	**156 791**	120 248
11 255	**10 642**		Receivables from Group companies (note 26.1)	**6 978**	7 892
24	**2 579**		Receivables from other related parties (note 26.2)	**2 579**	24
18 016	**18 522**		Refundable deposits	**18 522**	18 016
12 743	**22 339**		Other receivables	**24 840**	15 287
			Non-financial instruments:		
16 925	**23 026**		Prepayments	**23 026**	16 930
79 154	**168 174**		Value-added taxation	**168 708**	79 907
493 539	**628 514**			**628 010**	493 609

Trade and other receivables were pledged as security for the loans with FirstRand Bank Limited as disclosed in Annexure A

Included in other receivables is restricted cash held in a trust fund of N$6.2 million (2018: N$5.9 million)

Trade receivables are generally on 30–60 days' terms.

For terms and conditions relating to related-party receivables, refer to note 26.

The average collection period on sales of goods of the Company is 30 days (2018: 36 days).

Exposure to credit risk
Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000

9. TRADE AND OTHER RECEIVABLES (continued)

Exposure to credit risk (continued)

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

GROUP Expected credit loss rate:	2019 Estimated gross carrying amount at default N$'000	2019 Loss allowance (Lifetime expected credit loss) N$'000	2018 Estimated gross carrying amount at default N$'000	2018 Loss allowance (Lifetime expected credit loss) N$'000
Not past due: 0.1%	**295 276**	**(262)**	**268 990**	**–**
31–60 days past due: 0.2%	**1 156**	**(53)**	**8 823**	**–**
61–90 days past due: 0.3%	**3 524**	**(19)**	**5 182**	**–**
91–120 days past due: 0.4%	**3 816**	**(15)**	**5 469**	**–**
120+ days past due: 0.5%	**43 707**	**(5 879)**	**40 963**	**(6 607)**
	347 479	**(6 228)**	**329 427**	**(6 607)**
COMPANY				
Not past due: 0.1%	295 276	(262)	268 990	–
31–60 days past due: 0.2%	1 156	(53)	8 823	–
61–90 days past due: 0.3%	3 524	(19)	5 182	–
91–120 days past due: 0.4%	3 816	(15)	5 469	–
120+ days past due: 0.5%	43 633	(5 879)	40 963	(6 607)
	347 405	(6 228)	329 427	(6 607)

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		Movement in the allowance account for impairment losses:		
(8 543)	**(6 607)**	Balance at the beginning of the year	**(6 607)**	(8 543)
(350)	**(1 268)**	Charge for the year	**(1 268)**	(350)
2 286	**2 213**	Utilised	**2 213**	2 286
–	**(566)**	IFRS 9 provision raised	**(566)**	–
(6 607)	**(6 228)**	Balance at the end of the year	**(6 228)**	(6 607)
		Analysed as follows:		
(6 607)	**(5 662)**	Individually impaired trade receivables	**(5 662)**	(6 607)
–	**(566)**	Collectively impaired trade receivables	**(566)**	–
(6 607)	**(6 228)**		**(6 228)**	(6 607)

Credit risk disclosures for comparatives under IAS 39 are disclosed in note 28.3.

COMPANY 2018 N$'000	COMPANY 2019 N$'000			GROUP 2019 N$'000	GROUP 2018 N$'000
		10.	**CASH AND CASH EQUIVALENTS**		
152 835	**183 510**		Cash and bank	**188 114**	157 206
265 923	**4 380**		Funds on call	**4 489**	266 804
418 758	**187 890**		Cash and cash equivalents at the end of the year	**192 603**	424 010
			The carrying amount of these assets approximate their fair value.		
		11.	**DERIVATIVE FINANCIAL INSTRUMENTS**		
1 477	**265**		Forward foreign exchange contract asset	**265**	1 477
			Refer to note 29.1 for details on outstanding forward exchange contracts at year end.		
		12.	**SHARE CAPITAL**		
			Ordinary – Authorised		
			299 000 000 shares of no par value (2018: 299 000 000).		
			Ordinary – Issued		
1 024	**1 024**		206 529 000 fully paid up shares of no par value (2018: 206 529 000).	**1 024**	1 024
			The 92 471 000 unissued shares of the Company are under the control of the Directors.		
			The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on meetings of the Company.		
		13.	**INTEREST-BEARING LOANS AND BORROWINGS**		
			This note provides information about the contractual terms of the Company and Group's interest-bearing loans and borrowings. For more information about the exposure to interest rate risk, see Annexure A.		
			Non-current liabilities		
262 500	**162 500**		Medium-term loan (Annexure A)	**162 500**	262 500
22 980	**21 008**		Finance lease liabilities (Annexure A)	**21 008**	22 980
285 480	**183 508**			**183 508**	285 480
			Current liabilities		
1 495	**1 381**		Loan from related parties (Annexure A)	**-**	–
100 000	**200 000**		Medium-term loan (Annexure A)	**200 000**	100 000
9 869	**15 201**		Finance lease liabilities (Annexure A)	**15 201**	9 869
111 364	**216 582**			**215 201**	109 869

13. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The undrawn facilities at 30 June 2019 were N$150 million (2018: N$250 million).

For terms and conditions relating to related-party payables, Interest-bearing borrowings and loans, refer to note 26 and Annexure A respectively.

14. RETIREMENT BENEFIT INFORMATION

14.1 Retirement fund

The total value of contributions to the Ohlthaver & List Retirement Fund during the period amounted to:

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
8 700	**10 675**	Members' contributions	**10 675**	8 700
26 679	**28 089**	Employer's contributions	**28 089**	26 679
35 379	**38 764**		**38 764**	35 379

This is a defined contribution plan and is regulated by the Pension Funds Act of Namibia. The fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary at 30 June 2019 and its assets were found to exceed its actuarially calculated liabilities.

14.2 Post-employment medical aid benefit plan

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
8 211	**7 060**	Balance at the beginning of the year	**7 060**	8 211
690	**635**	Interest cost	**635**	690
(1 113)	**(431)**	Actuarial gain	**(431)**	(1 113)
(728)	**(798)**	Benefits paid	**(798)**	(728)
7 060	**6 466**	Non-current balance at the end of the year	**6 466**	7 060

The Ohlthaver & List Group provides for post-employment medical aid benefits in respect of a closed group of specified retired employees. The present value of the provision at 30 June 2019, as determined by using the projected unit credit method was N$6.5 million (2018: N$7.1 million). Future benefits valued are projected using actuarial assumptions, and the liability for in-service members is accrued over the expected working lifetime.

The principal actuarial assumptions used in determining post-employment medical aid benefit obligations for the Group's plan are as follows:

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		14. RETIREMENT BENEFIT INFORMATION (continued)		
		14.2 Post-employment medical aid benefit plan (continued)		
9.50%	**9.20%**	Discount rate	**9.20%**	9.50%
7.70%	**7.00%**	Health care cost inflation	**7.00%**	7.70%
19	**19**	Employees	**19**	19

Sensitivity analysis of health care cost inflation:
A one percentage point decrease or increase in the rate of health care cost inflation will have the following effect:

The accrued liability as at 30 June 2019 will decrease by N$0.405 million (2018: N$0.456 million) or increase by N$0.462 million (2018: N$0.518 million) respectively; and

The current service cost and interest cost will decrease by N$0.033 million (2018: N$0.041 million) or increase by N$0.037 million (2018: N$0.047 million) respectively.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		14.3 Severance benefit		
13 291	**15 445**	Balance at the beginning of the year	**15 767**	13 600
1 007	**1 545**	Current service costs	**1 172**	1 020
1 445	**1 172**	Interest cost	**1 545**	1 445
(298)	**(619)**	Actuarial gain	**(619)**	(298)
–	**(459)**	Benefits paid	**(781)**	–
15 445	**17 084**	Non-current balance at the end of the year	**17 084**	15 767
22 505	**23 550**		**23 550**	22 827

The principal actuarial assumptions used in determining severance pay obligations for the Group is as follows:

COMPANY 2018	COMPANY 2019		GROUP 2019	GROUP 2018
9.90%	**10.20%**	Discount rate	**10.20%**	9.90%
6.30%	**6.50%**	Inflation rate	**6.50%**	6.30%
6.30%	**6.50%**	Salary increase rate	**6.50%**	6.30%

Sensitivity analysis of inflation and discount rate:
A one percentage point decrease or increase in the inflation and discount rate will have the following effect:

The accrued liability as at 30 June 2019 will decrease by N$1.625 million (2018: N$1.495 million) or increase by N$1.913 million (2018: N$1.763 million) respectively.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		15. DEFERRED TAXATION		
		Deferred taxation liability		
195 217	**194 348**	Balance at the beginning of the year	**194 331**	195 200
(869)	**(4 485)**	Accelerated depreciation for tax purposes	**(4 485)**	(869)
(1 254)	**-**	Consumables	**-**	(1 254)
(3 645)	**3 579**	Customer deposits	**3 579**	(3 645)
2 952	**(6 669)**	Other provisions	**(6 669)**	2 952
(900)	**(1 075)**	Other leases	**(1 075)**	(900)
5	**2**	Prepayments	**2**	5
(773)	**(670)**	Retirement and severance pay benefit obligations	**(670)**	(773)
(926)	**(818)**	Intangible asset	**(818)**	(926)
4 089	**(1 216)**	Unrealised foreign exchange losses	**(1 216)**	4 089
(1 321)	**(11 352)**	Movement during the year	**(11 352)**	(1 321)
452	**336**	Charge to other comprehensive income for the year	**336**	452
194 348	**183 332**		**183 315**	194 331
		Analysis of deferred taxation liability:		
234 754	**230 269**	Accelerated depreciation for tax purposes	**230 269**	234 754
7 995	**7 995**	Consumables	**7 995**	7 995
(21 521)	**(17 942)**	Customer deposits	**(17 942)**	(21 521)
(13 570)	**(20 239)**	Other provisions	**(20 256)**	(13 587)
(10 512)	**(11 587)**	Other leases	**(11 587)**	(10 512)
278	**280**	Prepayments	**280**	278
(7 202)	**(7 536)**	Retirement benefit obligations	**(7 536)**	(7 202)
2 771	**1 953**	Intangible asset	**1 953**	2 771
1 355	**139**	Unrealised foreign exchange losses	**139**	1 355
194 348	**183 332**		**183 315**	194 331

The deferred tax assets and deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement.

Unused tax losses not recognised as deferred tax assets as a result of uncertainty with regard to the recoverability thereof amount to N$68.6 million (2018: N$66.5 million) in Group companies. These losses can be carried forward indefinitely.

COMPANY			GROUP	
2018 N$'000	**2019 N$'000**		**2019 N$'000**	**2018 N$'000**
		16. TRADE AND OTHER PAYABLES		
236 827	**274 379**	Trade and other payables	**274 340**	236 177
9 877	**10 781**	Payables to Group companies (note 26.1)	**10 781**	9 877
1 239	**1 196**	Payables to other related parties (note 26.2)	**1 196**	1 239
60 483	**75 020**	Excise duties	**75 020**	60 483
112 022	**126 116**	Accruals	**128 525**	114 787
44 733	**37 283**	Returnable packaging deposits	**38 229**	45 679
465 181	**524 775**		**528 091**	468 242

Terms and conditions of the above financial liabilities:

For terms and conditions of balances owing to related parties, refer to note 26.

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables approximates their fair value.

Trade payables are non-interest-bearing and are normally settled on 30–60 day terms.

Accruals relate to leave, medical, bonus, electricity and management fee accruals, among others.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		17. REVENUE		
2 669 239	**3 116 205**	Sale of goods	**3 116 205**	2 691 123
(105 469)	**(138 238)**	Discounts allowed	**(138 423)**	(107 291)
103 342	**119 801**	Royalties and know-how fees	**119 801**	103 342
2 667 112	**3 097 768**	Total revenue from contracts with customers	**3 097 583**	2 687 174

As per the nature of the Group's operations, the timing of all revenue recognition takes place at a point of time.

Refer to note 30 for the disaggregated disclosure on revenue.

The amount included in revenue arising from sales to countries outside Namibia amounts to N$984 million (2018: N$731 million), net of excise duties.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		18. OPERATING EXPENSES		
		Costs by nature		
895 358	**1 165 187**	Raw material and consumables	**1 165 187**	895 324
340 735	**398 756**	Employment costs	**402 553**	350 481
425 733	**482 270**	Administration and marketing expenses	**486 045**	454 270
165 242	**182 170**	Railage and transport	**182 170**	165 225
51 416	**44 297**	Repairs and maintenance	**44 297**	51 711
174 887	**171 565**	Depreciation, amortisation and impairments	**165 420**	157 078
2 053 371	**2 444 245**		**2 445 672**	2 074 089

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		19. OPERATING PROFIT		
		is stated after taking account of:		
		Income		
375	**56**	Rent received	**56**	375
2 957	**2 904**	Realised profit on foreign exchange transactions	**2 904**	3 084
1 477	**265**	Unrealised gains on foreign exchange contracts	**265**	1 477
		Expenses		
		Audit fees		
1 886	**1 983**	– for statutory audit	**1 983**	1 886
12	**821**	– for other services	**1 035**	245
150 993	**159 737**	Depreciation	**160 119**	151 342
5 738	**5 300**	Amortisation – intangible asset	**5 300**	5 738
4 131	**(299)**	Net loss/(profit) on disposal of property, plant and equipment	**(299)**	4 176
9 764	**10 617**	Directors' emoluments (Annexure D)	**10 617**	9 764
49 364	**53 432**	Management and shared services fees	**53 432**	49 364
1 109	**1 131**	Royalties	**1 307**	1 109
		Operating lease payments		
5 819	**7 147**	– land and buildings	**7 164**	6 005
4 391	**3 066**	– motor vehicles	**3 066**	4 418
1 188	**(3 296)**	Movement in the provision for impairment of inventories	**(3 296)**	1 033
(1 936)	**(945)**	Movement in the provision for impairment of trade receivables	**(945)**	(1 936)
18 156	**6 528**	Impairment of loans to subsidiaries	**-**	–
		20. FINANCE COSTS		
36 597	**34 316**	Interest-bearing loans	**34 316**	36 638
4 536	**5 933**	Finance leases	**5 933**	4 551
2 136	**2 180**	Post-employment benefits	**2 180**	2 136
–	**26**	Other interest	**26**	–
43 269	**42 455**	Total finance costs	**42 455**	43 325
		21. FINANCE INCOME		
24 935	**17 451**	Interest – bank and funds on call	**17 558**	25 095
7 083	**6 762**	– associates	**6 762**	7 083
–	**1 986**	– tax receivable balance	**1 986**	–
445	**301**	– holding company, fellow subsidiaries and other related parties	**301**	445
32 463	**26 500**	Total finance income	**26 607**	32 623

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		22. INCOME TAX EXPENSE		
		The major components of income tax expense for the years ended 30 June 2019 and 2018 are:		
(154 476)	**(148 424)**	Namibian taxation	**(148 424)**	(154 476)
(16 735)	**(7 031)**	South African taxation	**(7 062)**	(16 780)
(171 211)	**(155 455)**	Total income tax expense	**(155 486)**	(171 256)
		Comprising		
		Normal taxation		
(146 182)	**(159 776)**	– current period: Namibian	**(159 776)**	(146 182)
(9 615)	**-**	– prior period: Namibian	**-**	(9 615)
(5 534)	**5 625**	– prior period: South African	**5 625**	(5 534)
		Withholding tax		
(11 201)	**(12 656)**	– current period: South African	**(12 687)**	(11 246)
		Deferred taxation		
1 321	**11 352**	– current period: Namibian	**11 352**	1 321
(171 211)	**(155 455)**	**Total income tax expense**	**(155 486)**	(171 256)
		No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N$68.6 million (2018: N$66.5 million). No deferred tax asset has been recognised for these calculated tax losses as it is uncertain that future taxable profits will be available against which the associated unused tax losses can be utilised.		
–	**-**	Estimated tax losses available for set-off against future taxable income	**68 642**	66 627
–	**-**	Less: Applied to offset any deferred taxation liability	**-**	–
–	**-**		**68 642**	66 627
–	**-**	Utilised to create deferred tax asset	**-**	–
–	**-**	Available to reduce future taxable income	**68 642**	66 627
%	**%**	**Reconciliation of effective tax rate**	**%**	%
32.0	**32.0**	Namibian normal tax rate	**32.0**	32.0
		(Reduction)/increase in rate of taxation		
(5.0)	**(2.4)**	– manufacturing allowances	**(2.4)**	(5.0)
2.5	**0.8**	– disallowable expenditure	**0.8**	2.5
(4.0)	**(2.4)**	– effect of rate differential between tax jurisdictions	**(2.4)**	(4.0)
1.9	**(13.2)**	– equity accounted losses/(profits)	**(13.2)**	1.9
2.6	**(0.5)**	– adjustments relating to prior periods	**(0.5)**	2.6
30.1	**14.3**	Effective rate of taxation	**14.3**	30.1

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		23. BASIC AND HEADLINE EARNINGS PER ORDINARY SHARE		
		Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.		
		Calculation of weighted average number of shares for basic earnings per share and dilutive earnings per share:		
206 529	**206 529**	Shares issued at the beginning of the year	**206 529**	206 529
–	**-**	Shares issued during the year to ordinary shareholders	**-**	–
206 529	**206 529**	Weighted average number of shares	**206 529**	206 529
		Profit attributable to ordinary shareholders	**931 119**	397 686
		Non-headline earnings items included in equity accounted earnings of associated companies	**(26)**	(34)
		Net (gain)/loss on the sale of property, plant and equipment	**(299)**	4 176
		Headline earnings	**930 794**	401 828
		23.1 Basic earnings per ordinary share (cents)*		
		Profit attributable to ordinary shareholders	**931 119**	397 686
		Weighted number of shares in issue ('000s)	**206 529**	206 529
		Basic earnings per ordinary share (cents)*	**450.8**	192.6
		23.2 Headline earnings per ordinary share (cents)		
		Headline earnings	**930 794**	401 828
		Weighted average number of shares in issue ('000s)	**206 529**	206 529
		Headline earnings per ordinary share (cents)	**450.7**	194.6

** There is no difference between basic and diluted earnings per share*

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		24. DIVIDENDS PAID AND PROPOSED		
		In respect of the 2019 financial year		
–	**103 265**	– interim (50 cents per share, paid 17 May 2019)	**103 265**	–
–	**-**	– final (50 cents per share, proposed)	**-**	–
		– special (N$250 000 000 in total, proposed)		
		In respect of the 2018 financial year		
95 002	**-**	– interim (46 cents per share, paid 11 May 2018)	**-**	95 002
–	**95 002**	– final (46 cents per share, paid 9 November 2018)	**95 002**	–
	400 007	– special (N$400 000 000 in total, paid 9 November 2018)	**400 007**	
		In respect of the 2017 financial year		
–	**-**	– interim (42 cents per share, paid 19 May 2017)	**-**	–
86 743	**-**	– final (42 cents per share, paid 10 November 2017)	**-**	86 743
181 745	**598 274**	Dividends paid to equity holders	**598 274**	181 745
		Dividend paid per ordinary share		
42.0	**46.0**	2018 Final dividend (cents)	**46.0**	42.0
–	**193.7**	2018 Special dividend (cents)	**193.7**	–
46.0	**50.0**	2019 Interim dividend (cents)	**50.0**	46.0
88.0	**289.7**		**289.7**	88.0
		Proposed dividend		
495 002	**353 265**	On 4 September 2019 the Directors declared a final dividend of 50 cents (4 September 2018: 46 cents) per ordinary share and a special dividend totalling N$250 million (2018: N$400 million). This dividend will be paid on 8 November 2019.	**353 265**	495 002

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		25. NOTES TO THE STATEMENTS OF CASH FLOWS		
		25.1 Cash generated by operations		
569 494	**1 088 110**	Profit before income tax	**1 086 605**	568 942
		Adjustments for:		
150 993	**159 737**	Depreciation	**160 119**	151 342
5 738	**5 300**	Amortisation	**5 300**	5 738
4 131	**(299)**	(Gain)/Loss on disposal of property, plant and equipment	**(299)**	4 176
(1 141)	**1 211**	Unrealised (gains)/losses on foreign exchange contract	**1 211**	(1 141)
–	**1 971**	Actuarial gain	**2 293**	–
3 142	**1 045**	Increase in provisions	**723**	3 155
33 441	**(450 542)**	Equity (profit)/loss from associate	**(450 542)**	33 441
18 156	**6 528**	Impairment on subsidiary loans	**-**	–
99	**-**	Other impairments	**-**	99
–	**(1 207)**	IFRS 15 adjustment	**(1 207)**	–
–	**-**	FCTR movement	**(6)**	–
(32 463)	**(26 500)**	Finance income	**(26 607)**	(32 623)
43 269	**42 455**	Finance costs	**42 455**	43 325
794 859	**827 809**	Operating profit before working capital changes	**820 046**	776 454
(67 069)	**(129 866)**	Working capital changes	**(129 038)**	(66 865)
(12 872)	**(54 487)**	Increase in inventories	**(54 487)**	(12 577)
(145 659)	**(134 975)**	Increase in trade and other receivables	**(134 401)**	(143 242)
91 462	**59 596**	Increase in trade and other payables	**59 850**	88 954
727 790	**697 943**	Cash generated by operations	**691 008**	709 589
		25.2 Income tax paid		
35 694	**33 218**	Balance at the beginning of the year	**33 544**	36 095
(172 532)	**(166 807)**	Current tax charge	**(166 838)**	(172 577)
–	**336**	Tax on other comprehensive income	**336**	–
(33 218)	**(38 914)**	Balance at the end of the year	**(39 240)**	(33 544)
(170 056)	**(172 167)**	Income tax paid during the year	**(172 198)**	(170 026)

COMPANY			GROUP	
2018 N$'000	2019 N$'000		2019 N$'000	2018 N$'000
		26. RELATED PARTIES		
		The immediate holding company of Namibia Breweries Limited is NBL Investment Holdings (Proprietary) Limited of which the shareholding is held by Ohlthaver & List Finance and Trading Corporation Limited and Heineken International B.V. The Company's ultimate holding entity is The Werner List Trust.		
		Namibia Breweries Limited forms part of the Ohlthaver & List Group of companies and thus all companies in the Ohlthaver & List Group of companies are related parties of Namibia Breweries Limited and its subsidiaries.		
		During the year the Company and Group, in the ordinary course of business, entered into various sales, purchases and loan transactions with fellow subsidiaries and its holding company.		
		The following table provides the total of transactions, which have been entered into with related parties for the relevant financial year. For information regarding outstanding balances at 30 June 2019 and 2018, refer to notes 6, 7, 9, 13 and 16.		
		26.1 Group companies		
		Current assets (note 9)		
42	**-**	Broll and List Property Management (Namibia) (Proprietary) Limited	**-**	42
–	**16**	Chobe Water Villas (Proprietary) Limited	**16**	–
3 363	**3 664**	Flycatcher (Proprietary) Limited	**-**	–
5	**6**	Hangana Seafood (Proprietary) Limited	**6**	5
519	**262**	Namibia Dairies (Proprietary) Limited	**262**	519
2	**-**	O&L Energy (Proprietary) Limited	**-**	2
1 349	**1 107**	O&L Leisure (Proprietary) Limited	**1 107**	1 349
68	**-**	Ohlthaver & List Centre (Proprietary) Limited	**-**	68
5 491	**5 203**	Organic Energy Solutions (Proprietary) Limited	**5 203**	5 491
7	**-**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**-**	7
352	**384**	W.U.M. Properties (Proprietary) Limited t/a O&L Properties Division	**384**	352
7	**-**	Weathermen & Co Advertising (Proprietary) Limited	**-**	7
50	**-**	Wernhil Park (Proprietary) Limited	**-**	50
11 255	**10 642**		**6 978**	7 892

COMPANY			GROUP	
2018 N$'000	**2019 N$'000**		**2019 N$'000**	**2018 N$'000**
		26. RELATED PARTIES (continued)		
		26.1 Group companies (continued)		
		Revenue		
		Sales to during the year		
103	**-**	Broll and List Property Management (Namibia) (Proprietary) Limited	**-**	103
–	**18**	Chobe Water Villas (Proprietary) Limited	**18**	
23 031	**-**	Flycatcher (Proprietary) Limited	**-**	–
108	**49**	Hangana Seafood (Proprietary) Limited	**49**	108
6	**6**	Kraatz Marine (Proprietary) Limited	**6**	6
4 001	**3 832**	Namibia Dairies (Proprietary) Limited	**3 832**	4 001
11	**14**	O&L Energy (Proprietary) Limited	**14**	11
3 381	**3 450**	O&L Leisure (Proprietary) Limited	**3 450**	3 381
404	**47**	Ohlthaver & List Centre (Proprietary) Limited	**47**	404
5	**114**	Organic Energy Solutions (Pty) Ltd	**114**	5
6	**14**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**14**	6
71	**32**	Weatherman & Co Advertising (Proprietary) Limited	**32**	71
39	**-**	Wernhil Park (Proprietary) Limited	**-**	39
31 166	**7 576**		**7 576**	8 135
		Current liabilities (note 16)		
246	**449**	ICT Holdings (Proprietary) Limited	**449**	246
4	**7**	Namibia Dairies (Proprietary) Limited	**7**	4
1 495	**1 381**	Northgate Properties (Proprietary) Limited	**-**	–
136	**245**	O&L Leisure (Proprietary) Limited	**245**	136
547	**-**	O&L South Africa (Proprietary) Limited	**-**	547
5 661	**6 297**	Ohlthaver & List Centre (Proprietary) Limited	**6 297**	5 661
1 192	**914**	Organic Energy Solutions (Proprietary) Limited	**914**	1 192
–	**5**	Utterly Social Media (Proprietary) Limited	**5**	–
74	**31**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**31**	74
2 017	**2 833**	Weathermen & Co Advertising (Proprietary) Limited	**2 833**	2 017
11 372	**12 162**		**10 781**	9 877

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		26. RELATED PARTIES (continued)		
		26.1 Group companies (continued)		
		Revenue (continued)		
		Purchases from during the year		
–	**332**	Chobe Water Villas (Proprietary) Limited	**332**	–
2 569	**4 412**	ICT Holdings (Proprietary) Limited	**4 412**	2 569
1 817	**60**	Kraatz Marine (Proprietary) Limited	**60**	1 817
53	**48**	Namibia Dairies (Proprietary) Limited	**48**	53
1 284	**1 290**	O&L Leisure (Proprietary) Limited	**1 290**	1 284
2 578	**-**	O&L South Africa (Proprietary) Limited	**-**	2 578
4 627	**8 930**	Organic Energy Solutions (Proprietary) Limited	**8 930**	4 627
	158	Utterly Social Media (Proprietary) Limited	**158**	
554	**399**	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	**399**	554
14 240	**17 202**	Weatherman & Co Advertising (Proprietary) Limited	**17 202**	14 240
27 722	**32 831**		**32 831**	27 722
		Rent paid		
366	**403**	Wernhil Park (Proprietary) Limited	**403**	366
2 921	**3 126**	W.U.M. Properties (Proprietary) Limited t/a O&L Property Division	**3 126**	2 921
3 287	**3 529**		**3 529**	3 287
		Interest received		
445	**301**	Ohlthaver & List Centre (Proprietary) Limited	**301**	445
		Management and shared service fees paid		
–	**683**	O&L South Africa (Proprietary) Limited	**683**	–
45 196	**48 227**	Ohlthaver & List Centre (Proprietary) Limited	**48 227**	45 196
45 196	**48 910**		**48 910**	45 196
		Directors fees		
431	**410**	Ohlthaver & List Centre (Proprietary) Limited	**410**	431

For Directors' emoluments refer to Annexure D.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		26. RELATED PARTIES (continued)		
		26.2 Other related parties		
		Current assets (note 9)		
24	**23**	Dimension Data (Proprietary) Limited	**23**	24
120 248	**156 791**	Heineken South Africa (Proprietary) Limited	**156 791**	120 248
–	**2 556**	Heineken South Africa Exports Company (Proprietary) Limited	**2 556**	–
120 272	**159 370**		**159 370**	120 272
		Current liabilities (note 16)		
1 239	**1 196**	Dimension Data (Proprietary) Limited	**1 196**	1 239
		Management fees paid		
4 168	**4 522**	Heineken International B.V.	**4 522**	4 168
		Royalties received		
–	**4 816**	Heineken South Africa Exports Company (Proprietary) Limited	**4 816**	–
96 201	**105 656**	Heineken South Africa (Proprietary) Limited	**105 656**	96 201
96 201	**110 472**		**110 472**	96 201
		Know-how fees received		
7 141	**9 330**	Heineken South Africa (Proprietary) Limited	**9 330**	7 141
		Sales		
250	**250**	Dimension Data (Proprietary) Limited	**250**	250
–	**10 575**	Heineken South Africa Export Company (Proprietary) Limited	**10 575**	–
870 793	**1 283 948**	Heineken South Africa (Proprietary) Limited	**1 283 948**	870 793
871 043	**1 294 773**		**1 294 773**	871 043
		Interest received		
7 080	**6 762**	Heineken South Africa (Proprietary) Limited	**6 762**	7 080
		Interest paid		
–	**25**	Dimension Data (Proprietary) Limited	**25**	–
		Royalties paid		
1 109	**1 131**	Heineken International B.V.	**1 131**	1 109
		Purchases during the year		
11 491	**12 235**	Dimension Data (Proprietary) Limited	**12 235**	11 491
		Directors fees		
295	**337**	Heineken International B.V.	**337**	295

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		26. RELATED PARTIES (continued)		
		26.2 Other related parties (continued)		
		Legal fees		
733	**1 248**	Engling, Stritter & Partners	**1 248**	733

Subsidiaries

Details of the subsidiaries are disclosed in Annexure C.

Retirement benefit information and post-employment medical aid benefit plan

Details of the above are disclosed in note 14.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured, on 30–90 day terms, interest free and settlement occurs in cash.

For the year ended 30 June 2019, the Company impaired an amount of N$6.5 million (2018: N$18.2 million) with respect to a loan advanced to a subsidiary. Also refer to Annexure C.

Directors' interest

At the financial year end, the Directors were directly and indirectly interested in the Company's issued shares as follows:

	GROUP 2019 %	GROUP 2018 %
Ordinary shares		
Directly	**0.11**	0.07

No individual Director has a direct shareholding in excess of 1% of the issued shares of the Company.

The Company has not been informed of any material changes in these holdings to the date of this report.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		27. CAPITAL COMMITMENTS AND CONTINGENCIES		
		Authorised		
32 713	**51 737**	Contracted for	**51 737**	32 713
233 565	**207 696**	Not contracted for	**207 696**	233 565
266 278	**259 433**		**259 433**	266 278

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		27. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)		
		These capital commitments are for the expansion, replacement and improvement of property, plant and equipment.		
		This proposed capital expenditure is to be financed by own funds, and are expected to be settled within the following year.		
6 000	**6 000**	**Guarantees and suretyship**	**6 000**	6 000
		The suretyships are issued by FirstRand Bank Limited in favour of the Namibian Ministry of Finance.		
		Finance lease liabilities		
		The Group has entered into finance leases on certain motor vehicles. These leases have fixed terms of repayments and purchase options. Lease payments are linked to prime variable interest rates. The loans are secured by the vehicles as disclosed in note 4. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:		
		Minimum lease payments		
		Motor vehicles		
13 991	**20 844**	Within one year	**20 844**	13 991
27 016	**26 687**	After one year but not more than five years	**26 687**	27 016
41 007	**47 531**	Total minimum lease payments	**47 531**	41 007
(8 158)	**(11 322)**	Less amounts representing finance charges	**(11 322)**	(8 158)
32 849	**36 209**	Principal minimum lease payments	**36 209**	32 849
		Minimum lease payments		
		Property leases		
3 341	**2 098**	Within one year	**2 098**	3 341
–	**1 737**	After one year but not more than five years	**1 737**	–
3 341	**3 835**	Total minimum lease payments	**3 835**	3 341

Barley project

In 2015 the Company concluded a tripartite agreement with the Ministry of Agriculture, Water and Forestry, as well as the Agricultural Business Development Agency (AgriBusDev). The barley project started with 370 hectares under irrigation, predominantly in the Kavango region. NBL has committed to buy all the barley harvested, with a 10-year target of planting and cultivating 12 000 hectares.

COMPANY			GROUP	
2018 N$'000	2019 N$'000		2019 N$'000	2018 N$'000

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans, loans to and from the holding company and fellow subsidiaries, leases and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions such as forward exchange contracts. The reason for this is to manage the currency risk from the Group's operations. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the Company would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks.

28.1 Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from purchases of raw materials and sales of the Group's products in a currency other than the Group's functional currency.

The Group appropriately hedges foreign purchases in order to manage its foreign currency exposure. The Group does not apply hedge accounting. Forward exchange contracts are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on foreign transactions. Refer to note 29.2 for unutilised forward exchange contracts and uncovered foreign trade receivables and payables at year end.

COMPANY			GROUP	
2018 N$'000	2019 N$'000		2019 N$'000	2018 N$'000

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

28.2 Interest rate risk

The Group is exposed to interest rate risk as it borrows and places funds at floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placings within market expectations.

Refer to Annexure A and note 29.3 for further detail on interest rates.

28.3 Credit risk

Financial assets which potentially subject the Group to a concentration of credit risk consist principally of cash, funds on call and trade receivables. The Group's cash equivalents and funds on call are placed with high credit quality financial institutions. Trade and other receivables are stated at amortised cost. The Group's single largest customer during the year was Heineken South Africa (Proprietary) Limited. The Group has no significant concentration of credit risk or significant exposure to any individual customer or counterparty.

The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. In respect of possible default by a counterparty, the Group holds collateral as security in the amount of N$Nil (2018: Nil).

Management monitors adherence to payment terms by the joint venture, on a monthly basis. Financial performance and projected cash flows of the joint venture are monitored on a monthly basis to ensure recoverability of all amounts.

The granting of credit is made on application and is approved by management. At year end the Company did not consider there to be any significant concentration of credit risk or significant exposure to any individual customer or counterparty which has not been adequately provided for.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)		
		28.3 Credit risk (continued)		
		Financial assets exposed to credit risk at year end were as follows:		
418 758	**187 890**	Cash and cash equivalents	**192 603**	424 010
73 625	**73 625**	Loan to associate	**73 625**	73 625
131 527	**170 012**	Receivables due from related parties	**166 348**	128 164
241 781	**232 669**	Trade and other receivables	**232 794**	241 912

Major concentrations of credit risk that arise from the Group's receivables in relation to the industry categories and location of the customers by the percentage of total receivables from customers are:

	GROUP 2019	GROUP 2018
Trading industry	**%**	%
Namibia	**47.90**	69.88
South Africa	**37.90**	23.64
Other export markets	**14.20**	6.48
	100.00	100.00

As at 30 June, the ageing of trade receivables is as follows:

				Past due but not impaired		
	Total N$'000	Original terms Neither past due nor impaired N$'000	Changed terms Neither past due nor impaired N$'000	0–60 days N$'000	60–90 days N$'000	90+ days N$'000
GROUP						
2018	363 469	303 144	–	8 823	5 123	46 379
COMPANY						
2018	366 701	306 264	–	8 823	5 182	46 432

In determining the recoverability of a trade receivable, the Company and Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

At 30 June 2018, trade and other receivables of N$6.6 million were past due and provided for.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

28.4 Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Refer to Annexure A.

Borrowing capacity is determined by the Directors of the Company. The Directors consider a ratio of not higher than 75% of shareholders' equity as conservative.

Company 2018 N$'000	Company 2019 N$'000		Group 2019 N$'000	Group 2018 N$'000
1 214 053	**1 464 469**	75% of shareholder's equity	**1 466 456**	1 217 196
(396 844)	**(400 090)**	Less total interest-bearing borrowings	**(398 709)**	(395 349)
817 209	**1 064 379**	Unutilised borrowing capacity	**1 067 747**	821 847

28.5 Capital risk management

The Company and Group manage their capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's and the Group's overall strategy remains unchanged from the prior year.

The capital structure of the Company and Group consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

28.5 Capital risk management (continued)

Gearing ratio

The Company's and Group's Risk Management Committee reviews the capital structure on a semi-annual basis. Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio at the year-end was as follows:

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
396 844	**400 090**	Debt (i)	**398 709**	395 349
(418 758)	**(187 890)**	Less: Cash and cash equivalents	**(192 603)**	(424 010)
(21 914)	**212 200**	Net debt	**206 106**	(28 661)
1 618 738	**1 952 626**	Equity (ii)	**1 955 274**	1 622 928
(1%)	**11%**	Net debt-to-equity ratio	**11%**	(2%)

(i) Debt is defined as long- and short-term borrowings.

(ii) Equity includes all capital and reserves of the Company.

29. FINANCIAL INSTRUMENTS

29.1 Fair values

The fair value of all financial instruments are substantially identical to the carrying amounts reflected in the balance sheet.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		29. FINANCIAL INSTRUMENTS (continued)		
		29.1 Fair values (continued)		
		Fair value hierarchy (continued)		
		Level 2		
		Liabilities		
		Financial liabilities at fair value through profit or loss		
–	**-**	Forward foreign exchange liability	**-**	–
		Assets		
		Financial assets at fair value through profit or loss		
1 477	**265**	Forward foreign exchange asset	**336**	1 477

Transfers of assets and liabilities within levels of fair value hierarchy

There are no transfers between level 1 and level 2 for the year ended 30 June 2019 and for the year ended 30 June 2018.

29.2 Hedging activities and foreign currency risk

Forward exchange contracts are entered into with banks but are not designated as hedges for specific purchases. If contract rates are more favourable than the spot rate, on the date of payment of foreign creditors, they will be used. The maturity date represents the date when the contract must be exercised if it is not exercised before this date. The following table summarises by major currency the unutilised forward exchange contracts and amounts to be paid/ received in foreign currency, for the Group and Company:

29. FINANCIAL INSTRUMENTS (continued)

29.2 Hedging activities and foreign currency risk (continued)

	Maturity date	Foreign amount		Average rate		Namibia Dollar amount	
		2019 N$'000	**2018 N$'000**	**2019**	**2018**	**2019 N$'000**	**2018 N$'000**
Forward exchange contracts:							
Bought:							
Euro	1–12 months	**1 087**	2 673	**15.98**	15.83	**17 370**	42 307
Foreign trade receivables:							
US Dollar		**1 356**	3 013	**14.04**	13.73	**19 038**	41 382
Euro		**10**	9	**15.96**	16.00	**160**	144
Pound Sterling		**19**	14	**17.82**	18.06	**339**	253
Botswana Pula		**3 074**	3 074	**1.30**	1.29	**3 996**	3 976
						23 533	45 755
Foreign trade payables:							
Euro		**1 916**	222	**15.96**	16.00	**30 579**	3 551

29. FINANCIAL INSTRUMENTS (continued)

29.2 Hedging activities and foreign currency risk (continued)

Foreign currency sensitivity analysis

The Group is primarily exposed to the currency of the European Central Bank (Euro) and secondly to currency of the United States of America (US Dollar).

The following table details the Company's sensitivity to a 10% increase and decrease in the Namibia Dollar (N$) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel is 10% and represents management's assessment of the reasonably possible change in foreign exchange rates.

Below, a positive number indicates an increase in profit, a negative number indicates a decrease in profit based on the Namibia Dollar strengthening 10% against the relevant currency. For a 10% weakening of the Namibia Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		Effect on profit before taxation		
(341)	**(3 042)**	Euro	**(3 042)**	(341)
25	**34**	Pound Sterling	**34**	25
4 138	**1 904**	US Dollar	**1 904**	4 138
3 822	**(1 104)**		**(1 104)**	3 822

29. FINANCIAL INSTRUMENTS (continued)

29.3 Maturity profile

The following tables detail the Group and Company's remaining contractual maturity for its financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group and Company can be required/anticipate to incur and outflow/inflow. The table includes both interest and principal cash flows.

2019 – Group	Effective interest rate	1 year N$'000	2 years N$'000	3–5 years N$'000	5 years+ N$'000	Total N$'000
Financial assets						
Cash and cash equivalents	7.35%	192 603	–	–	–	192 603
Derivative financial instruments	0.00%	265	–	–	–	265
Loans to associates	JIBAR +2.0%	73 625	–	–	–	73 625
Trade and other receivables	0.00%	442 504	–	–	–	442 504
		708 997	–	–	–	708 997
Financial liabilities						
Interest-bearing borrowings	Ref. Anex. A	240 757	181 262	10 771	–	432 790
Trade and other payables	0.00%	324 546	–	–	–	324 546
		565 303	181 262	10 771	–	757 336

2018 – Group	Effective interest rate	1 year N$'000	2 years N$'000	3–5 years N$'000	5 years + N$'000	Total N$'000
Financial assets						
Cash and cash equivalents	7.35%	424 010	–	–	–	424 010
Derivative financial instruments	0.00%	1 477	–	–	–	1 477
Loans to associates	JIBAR +2.0%	73 625	–	–	–	73 625
Trade and other receivables	0.00%	403 379	–	–	–	403 379
		902 491	–	–	–	902 491
Financial liabilities						
Interest-bearing borrowings	Ref. Anex. A	141 976	129 972	175 449	–	447 397
Trade and other payables	0.00%	292 972	–	–	–	292 972
Derivative financial instruments	0.00%		–	–	–	
		434 948	129 972	175 449	–	740 369

29. FINANCIAL INSTRUMENTS (continued)

29.3 Maturity profile (continued)

2019 – Company	Effective interest rate	1 year N$'000	2 years N$'000	3–5 years N$'000	5 years + N$'000	Total N$'000
Financial assets						
Cash and cash equivalents	7.35%	187 890	–	–	–	187 890
Loans to associate	JIBAR +2.0%	73 625	–	–	–	73 625
Trade and other receivables	0.00%	443 542	–	–	–	443 542
Derivative financial instruments	0.00%	265	–	–	–	265
		705 322	–	–	–	705 322
Financial liabilities						
Interest-bearing borrowings	Ref. Anex. A	242 138	181 262	13 880	–	437 280
Trade and other payables	0.00%	323 639	–	–	–	323 639
		565 777	181 262	13 880	–	760 919

2018 – Company	Effective interest rate	1 year N$'000	2 years N$'000	3–5 years N$'000	5 years + N$'000	Total N$'000
Financial assets						
Cash and cash equivalents	7.35%	418 758	–	–	–	418 758
Loans to associate	JIBAR +2.0%	73 625	–	–	–	73 625
Trade and other receivables	0.00%	404 067	–	–	–	404 067
Derivative financial instruments	0.00%	1 477	–	–	–	1 477
		897 927	–	–	–	897 927
Financial liabilities						
Interest-bearing borrowings	Ref. Anex. A	143 471	129 972	175 449	–	448 892
Trade and other payables	0.00%	292 676	–	–	–	292 676
		436 147	129 972	175 449	–	741 568

Interest rate sensitivity analysis

Refer to Annexure A.

29. FINANCIAL INSTRUMENTS (continued)

29.4 Carrying value of financial instruments on the statement of financial position

COMPANY 2018 N$'000	COMPANY 2019 N$'000		GROUP 2019 N$'000	GROUP 2018 N$'000
		Financial assets		
		Derivative instruments at fair value through profit or loss		
1 477	**265**	– Forward foreign exchange contracts (note 11)	**265**	1 477
		Loans and receivables		
73 625	**73 625**	– Loans to associates (note 7)	**73 625**	73 625
404 067	**443 542**	– Trade and other receivables (note 9)	**442 504**	403 379
418 758	**187 890**	– Cash and cash equivalents (note 10)	**192 603**	424 010
896 450	**705 057**		**708 732**	901 014
		Financial liabilities		
		Amortised cost		
292 676	**323 639**	– Trade and other payables (note 16)	**324 546**	292 972
448 892	**437 280**	– Interest-bearing loans and borrowings (note 13)	**432 790**	285 480
741 568	**760 919**		**757 336**	578 452

Fair values of financial instruments that are the same as the carrying amounts are detailed in note 29.1

30. SEGMENT REPORTING

Segment Information

Segments are reported in a manner consistent with internal reporting. The Group sells various types of beverages which are Beer, Ciders and Softs. These reflect the operating segments for the Group. Beer, which meets the quantitative threshold of 10% of sales, EBIT and assets, is presented on a standalone basis, as a reportable segment. All corporate assets are disclosed for the Group as a whole and not necessarily for a particular operating segment. In order to ensure that the total of segment results and assets agree to the amounts reported for the Group in terms of IFRS, the operations that do not qualify as separate segments are reported in the 'Other' column.

Information about these segments are presented below:

	Beer		Other		Total	
	2019 N$'000	**2018 N$'000**	**2019 N$'000**	**2018 N$'000**	**2019 N$'000**	**2018 N$'000**
Total sales revenue	**2 725 856**	2 400 253	**251 926**	183 579	**2 977 782**	2 583 832
Royalties and know-how fees	**119 534**	103 342	**167**	–	**119 801**	103 342
Total revenue	**2 845 657**	2 503 595	**251 926**	183 579	**3 097 583**	2 687 174
Segment profit or (loss) – operating profit	**631 556**	601 259	**20 355**	11 826	**651 911**	613 085
Share of profit/(loss) of equity accounted investments					**450 542**	(33 441)
Finance costs					**(42 455)**	(43 325)
Finance income					**26 607**	32 623
Profit before taxation					**1 086 605**	568 942
Taxation					**(155 486)**	(171 256)
Profit attributable to ordinary shareholders					**931 119**	397 686

30. SEGMENT REPORTING (continued)

Geographical information

Namibia is the parent company's country of domicile. Those countries which account for more than 10% of the Group's total revenue are considered material and are reported separately.

	Sales revenue	
	2019 N$'000	**2018 N$'000**
Namibia	**1 993 642**	1 824 449
South Africa	**852 757**	617 089
Botswana	**-**	17 539
Tanzania	**77 398**	99 403
Zambia	**34 189**	32 480
Rest of the world	**19 797**	19 733
Total revenue	**2 977 782**	2 583 832

The basis for attributing revenue is based on actual sales. Non-current assets located in Namibia amounts to N$994.6 million and located in all foreign countries amounts to N$1.3 million.

Major customers

The Group only has one customer, located in South Africa, that made purchases from the Group exceeding 10% of the Group's revenue. This customer exclusively purchased beer to the value of N$852 million (2018: N$579 million), net of excise duties.

ANNEXURE A

Interest-bearing borrowings

	EFFECTIVE INTEREST RATE 2019 %	EFFECTIVE INTEREST RATE 2018 %	Maturity date	GROUP 2019 N$'000	GROUP 2018 N$'000	COMPANY 2019 N$'000	COMPANY 2018 N$'000
PREFERENCE SHARE CAPITAL							
Authorised							
1 000 000 Variable rate redeemable preference shares of N$0.50 each				**500**	500	**500**	500
LOANS FROM RELATED PARTIES							
Fixed-rate instruments							
– Northgate Properties (Proprietary) Limited	**0.00**	0.00		**-**	–	**1 381**	1 495
Less: Current portion included in short-term interest-bearing borrowings				**-**	–	**(1 381)**	(1 495)
Long-term portion of loans from related parties				**-**	–	**-**	–
MEDIUM-TERM LOAN							
Variable rate instruments							
– Standard Bank Namibia Limited repayable in 16 equal instalments of N$12 500 000 commencing in December 2016. This loan is unsecured.	**JIBAR+ 2.20%**	JIBAR+ 2.20%	31/12/2021	**62 500**	112 500	**62 500**	112 500
– FirstRand Bank Limited – Capex Facility – repayable at the end of the loan term in November 2020. Secured by a cession of trade and other receivables and a general notarial bond.	**JIBAR+ 2.10%**	JIBAR+ 2.10%	27/11/2020	**100 000**	100 000	**100 000**	100 000
– FirstRand Bank Limited – Acquisition Facility – repayable in 4 equal quarterly instalments of R50 000 000 commencing in November 2017. Secured by a cession of trade and other receivables and a general notarial bond.	**JIBAR+ 1.90%**	JIBAR+ 1.90%	27/11/2020	**100 000**	150 000	**100 000**	150 000
– FirstRand Bank Limited – Revolving Facility – no fixed repayment terms. Secured by a cession of trade and other receivables and a general notarial bond.	**JIBAR+ 2.05%**	JIBAR+ 2.05%	27/11/2020	**100 000**	–	**100 000**	–
Less: Current portion included in short-term interest-bearing borrowings				**(200 000)**	(100 000)	**(200 000)**	(100 000)
Long-term portion of medium term loans				**162 500**	262 500	**162 500**	262 500

ANNEXURE A (CONTINUED)

Interest-bearing borrowings

	Effective interest rate 2019 %	Effective interest rate 2018 %	Maturity date	Group 2019 N$'000	Group 2018 N$'000	Company 2019 N$'000	Company 2018 N$'000
FINANCE LEASE LIABILITIES							
Variable rate instruments							
– Repayable in monthly instalments of N$1 481 000 (2018: N$1 069 000)	**10.50**	10.50		**36 209**	32 849	**36 209**	32 849
Less: Current portion included in short-term interest-bearing borrowings				**(15 201)**	(9 869)	**(15 201)**	(9 869)
Long-term portion of finance lease liabilities				**21 008**	22 980	**21 008**	22 980
Total non-current interest-bearing borrowings				**183 508**	285 480	**183 508**	285 480
ANALYSIS OF REPAYMENTS INCLUDING INTEREST							
Repayable within:							
year 1				**240 757**	141 976	**240 757**	141 976
year 2				**181 262**	129 972	**181 262**	129 972
year 3				**9 789**	173 511	**9 789**	173 511
year 4				**3 109**	1 938	**3 109**	1 938
Repayable thereafter				**982**	–	**982**	–
				435 899	447 397	**435 899**	447 397
ANALYSIS BY CURRENCY							
South African Rand				**221 434**	290 276	**221 434**	290 276
Namibia Dollar				**114 466**	157 312	**114 466**	157 312
INTEREST RATE SENSITIVITY ANALYSIS							
The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.				**37 190**	52 048		
If interest rates had been 100 basis points higher or lower and all other variables were held constant:							
Interest received:							
– profit before tax for the year would increase/(decrease) by:				**5 630**	7 286	**5 576**	7 206
Interest paid:							
– profit before tax for the year would increase/(decrease) by:				**(4 794)**	(4 675)	**(4 794)**	(4 673)

ANNEXURE B

Property, plant and equipment

	Freehold land and buildings N$'000	Leasehold land and buildings N$'000	Plant and machinery N$'000
GROUP			
2019			
Cost			
Balance at the beginning of the year	**223 995**	**8 768**	**1 135 403**
Additions	**20 444**	**220**	**24 128**
Disposals	**–**	**–**	**(21 256)**
Classified from held for sale to PPE	**–**	**–**	**–**
Transfers	**16 601**	**–**	**64 547**
Transfers to intangible assets	**–**	**–**	**–**
Balance at the end of the year	**261 040**	**8 988**	**1 202 822**
Accumulated depreciation			
Balance at the beginning of the year	**34 991**	**5 747**	**617 377**
Depreciation charge	**3 669**	**157**	**72 518**
Accumulated depreciation on disposals	**–**	**–**	**(20 834)**
Transfers	**–**	**–**	**5 674**
Classified from held for sale	**–**	**–**	**–**
Balance at the end of the year	**38 660**	**5 904**	**674 735**
Carrying amount at the end of the year	**222 380**	**3 084**	**528 087**
2018			
Cost			
Balance at the beginning of the year	195 128	8 768	1 136 065
Additions	6 974	–	20 371
Disposals	–	–	(22 835)
Classified from held for sale to PPE	11 704	–	–
Transfers	10 189	–	1 801
Transfers to intangible assets	–	–	–
Balance at end of the year	223 995	8 768	1 135 403
Accumulated depreciation			
Balance at the beginning of the year	30 681	5 747	566 908
Depreciation charge	2 610	–	70 853
Accumulated depreciation on disposals	–	–	(20 384)
Transfers	–	–	–
Classified from held for sale	1 700	–	–
Balance at the end of the year	34 991	5 747	617 377
Carrying amount at the end of the year	189 005	3 021	518 026

ANNEXURE B (CONTINUED)

Property, plant and equipment

	Vehicles N$'000	Furniture and equipment N$'000	Returnable containers N$'000	Assets under construction N$'000	Total N$'000
	116 058	**79 602**	**389 038**	**75 494**	**2 028 358**
	33 926	**10 054**	**40 084**	**11 271**	**140 128**
	(15 781)	**(544)**	**(2 540)**	**-**	**(40 121)**
	-	**-**	**-**	**-**	**-**
	(8 040)	**1 738**	**-**	**(74 847)**	**-**
	-	**-**	**-**	**-**	**-**
	126 163	**90 851**	**426 581**	**11 919**	**2 128 365**
	72 426	**55 248**	**223 851**	**-**	**1 009 639**
	21 235	**8 873**	**53 667**	**-**	**160 119**
	(13 462)	**(525)**	**(2 540)**	**-**	**(37 361)**
	(5 674)	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**
	74 525	**63 596**	**274 978**	**-**	**1 132 398**
	51 638	**27 255**	**151 603**	**11 919**	**995 967**
	110 947	70 218	331 032	23 965	1 876 123
	18 983	7 102	60 373	66 288	180 092
	(13 885)	(189)	(2 368)	–	(39 276)
	–	–	–	–	11 704
	13	2 471	–	(15 056)	(582)
	–	–	–	297	297
	116 058	79 602	389 038	75 494	2 028 358
	62 466	47 223	174 857	–	887 882
	19 474	8 151	50 255	–	151 342
	(9 512)	(126)	(1 261)	–	(31 282)
	(2)	–	–	–	(2)
	–	–	–	–	1 700
	72 426	55 248	223 851	–	1 009 639
	43 632	24 354	165 187	75 494	1 018 719

ANNEXURE B (CONTINUED)

Property, plant and equipment

	Freehold land and buildings N$'000	Leasehold land and buildings N$'000	Plant and machinery N$'000
COMPANY			
2019			
Cost			
Balance at the beginning of the year	**189 772**	**6 610**	**1 133 733**
Additions	**20 444**	**220**	**24 128**
Disposals	**–**	**–**	**(21 256)**
Classified from held for sale to PPE	**–**	**–**	**–**
Transfers	**16 601**	**–**	**64 547**
Transfers to intangible assets	**–**	**–**	**–**
Balance at the end of the year	**226 817**	**6 830**	**1 201 152**
Accumulated depreciation			
Balance at the beginning of the year	**34 991**	**3 589**	**617 107**
Depreciation charge	**3 669**	**157**	**72 187**
Accumulated depreciation on disposals	**–**	**–**	**(20 834)**
Transfers	**–**	**–**	**5 674**
Classified from held for sale	**–**	**–**	**–**
Balance at the end of the year	**38 660**	**3 746**	**674 134**
Carrying amount at end of the year	**188 157**	**3 084**	**527 019**
2018			
Cost			
Balance at the beginning of the year	160 905	6 610	1 135 729
Additions	6 974	–	19 668
Disposals	–	–	(22 835)
Classified from held for sale to PPE	11 704	–	–
Transfers	10 189	–	1 171
Transfers to intangible assets	–	–	–
Balance at the end of the year	189 772	6 610	1 133 733
Accumulated depreciation			
Balance at the beginning of the year	30 681	3 589	566 874
Depreciation charge	2 610	–	70 617
Accumulated depreciation on disposals	–	–	(20 384)
Classified from held for sale	1 700	–	–
Balance at the end of the year	34 991	3 589	617 107
Carrying amount at the end of the year	154 782	3 021	516 626

GROUP and COMPANY

The carrying amount of motor vehicles held under finance leases at 30 June 2019 was N$28 243 801 (2018: N$27 311 382). Additions during the year include N$16 764 139 (2018: N$17 021 602) of motor vehicles held under finance leases.

ANNEXURE B (CONTINUED)

Property, plant and equipment

Vehicles N$'000	Furniture and equipment N$'000	Returnable containers N$'000	Assets under construction N$'000	Total N$'000
116 068	79 143	389 038	75 475	1 989 839
33 926	10 054	40 084	11 271	140 128
(15 781)	(544)	(2 540)	-	(40 121)
-	-	-	-	-
(8 040)	1 738	-	(74 847)	-
-	-	-	-	-
126 173	90 392	426 581	11 899	2 089 845
72 437	55 078	223 851	-	1 007 053
21 235	8 822	53 667	-	159 737
(13 462)	(525)	(2 540)	-	(37 361)
(5 674)	-	-	-	-
-	-	-	-	-
74 536	63 375	274 978	-	1 129 429
51 637	27 017	151 603	11 899	960 416
110 355	69 768	331 032	23 316	1 837 715
18 983	7 093	60 373	66 288	179 379
(13 271)	(189)	(2 368)	–	(38 662)
–	–	–	–	11 704
–	2 471	–	(14 426)	(595)
–	–	–	297	297
116 068	79 143	389 038	75 475	1 989 839
62 272	47 112	174 857	–	885 385
19 420	8 091	50 255	–	150 993
(9 254)	(126)	(1 261)	–	(31 025)
–	–	–	–	1 700
72 437	55 078	223 851	–	1 007 053
43 630	24 065	165 187	75 475	982 786

ANNEXURE B (CONTINUED)

Intangible assets

	Automation processes 2019 N$'000	Externally purchased software licences 2019 N$'000	Trademarks 2019 N$'000	Total 2019 N$'000
GROUP				
Cost				
Balance at the beginning of the year	**33 910**	**19 751**	**11 000**	**64 661**
Disposals	**–**	**–**	**–**	**–**
Additions	**808**	**–**	**–**	**808**
Transfers from assets under construction	**–**	**–**	**–**	**–**
Balance at the end of the year	**34 718**	**19 751**	**11 000**	**65 469**
Accumulated amortisation				
Balance at the beginning of the year	**11 271**	**15 114**	**733**	**27 118**
Disposals	**–**	**–**	**–**	**–**
Amortisation charges	**2 884**	**2 017**	**400**	**5 300**
Balance at the end of the year	**14 155**	**17 131**	**1 133**	**32 418**
Carrying amount at the end of the year	**20 563**	**2 621**	**9 867**	**33 051**
COMPANY				
Cost				
Balance at the beginning of the year	33 910	19 751	11 000	64 661
Disposals	–	–	–	–
Additions	808	–	–	808
Transfers from assets under construction	–	–	–	–
Balance at the end of the year	34 718	19 751	11 000	65 469
Accumulated amortisation				
Balance at the beginning of the year	11 271	15 114	733	27 118
Disposals	–	–	–	–
Amortisation charges	2 884	2 017	400	5 300
Balance at the end of the year	14 155	17 131	1 133	32 418
Carrying amount at the end of the year	20 563	2 621	9 867	33 051

Amortisation periods are reviewed at the end of each financial year. If the expected useful life of the asset differs from previous estimates, the amortisation period shall be changed accordingly. The amortisation charge is recognised in the operating expenses in the statement of profit or loss and other comprehensive income.

Trademarks with indefinite useful lives at 30 June 2019 amounted to N$9 000 000 (2018: N$9 000 000). This judgement is based on the market and trading conditions applicable to the Group and management's expectations and strategy for the use of the trademarks. It is the intention of the Group to receive a benefit from them indefinitely and there is no indication that this will not be the case.

ANNEXURE B (CONTINUED)

Intangible assets

Automation processes 2018 N$'000	Externally purchased software licences 2018 N$'000	Trademarks 2018 N$'000	Total 2018 N$'000
35 722	**19 538**	**11 000**	**66 260**
(3 005)	**(84)**	**–**	**(3 090)**
1 194	**–**	**–**	**1 194**
–	**297**	**–**	**297**
33 910	**19 751**	**11 000**	**64 661**
11 355	**12 699**	**333**	**24 387**
(3 005)	**(1)**	**–**	**(3 007)**
2 922	**2 416**	**400**	**5 738**
11 271	**15 114**	**733**	**27 118**
22 639	**4 638**	**10 267**	**37 544**
35 722	19 538	11 000	66 260
(3 005)	(84)	–	(3 090)
1 194	–	–	1 194
–	297	–	297
33 910	19 751	11 000	64 661
11 355	12 699	333	24 387
(3 005)	(1)	–	(3 007)
2 922	2 416	400	5 738
11 271	15 114	733	27 118
22 639	4 638	10 267	37 544

ANNEXURE C

Interest in subsidiaries

Subsidiary company	Country of incorporation	Issued capital N$'000
BEVERAGES		
Namibia Breweries South Africa (Proprietary) Limited	South Africa	–
Flycatcher (Proprietary) Limited	Botswana	–
PROPERTY		
Northgate Properties (Proprietary) Limited	Namibia	–
Northgate Exports (Proprietary) Limited	Namibia	–
Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited	Namibia	–
Accumulated loan impairment		

ANNEXURE C (CONTINUED)

Interest in subsidiaries

Effective holding 2019 %	Effective holding 2018 %	Interest of holding company shares 2019 N$'000	Interest of holding company shares 2018 N$'000	Indebtedness 2019 N$'000	Indebtedness 2018 N$'000
100	100	**-**	–	**103 793**	97 265
100	100	**-**	–	**301**	–
100	100	**828**	828	**(1 381)**	(1 495)
100	100	**-**	–	**-**	–
100	100	**34 692**	34 692	**-**	–
		-	–	**(103 793)**	(97 265)
		35 520	35 520	**(1 080)**	(1 495)

ANNEXURE D

Directors emoluments

	Directors' fees N$'000	Salary N$'000	Bonuses N$'000	Other Benefits N$'000	Pension/ medical aid N$'000	Long-service Award N$'000	Total N$'000
2019							
Executive Directors							
H van der Westhuizen	**–**	**1 959**	**1 605**	**1 485**	**602**	**374**	**6 025**
G Mouton	**–**	**979**	**960**	**995**	**380**	**–**	**3 314**
Total emoluments	**–**	**2 938**	**2 565**	**2 480**	**982**	**374**	**9 339**
2018							
Executive Directors							
H van der Westhuizen	–	1 865	1 498	1 420	566	–	5 349
G Mouton	–	941	895	941	360	–	3 137
Total emoluments	–	2 806	2 393	2 361	926	–	8 486

	2019 N$'000	2018 N$'000
Non-executive Directors		
CL List	**112**	133
E Ender	**91**	133
HB Gerdes	**195**	216
P Grüttemeyer	**167**	188
S Thieme	**193**	193
G Hanke	**50**	50
L van der Borght	**50**	50
S Siemer	**133**	91
R Pirmez	**154**	154
L Mcleod-Katjirua	**133**	71
Total emoluments	**1 278**	1 278

Non-executive Directors only received Directors' fees for the current and prior financial year.

NOTICE TO SHAREHOLDERS

NAMIBIA BREWERIES LIMITED
Registration number 2/1920

This document is important and requires your immediate attention. Please ensure that you review the notes and footnotes in this Notice, which contain important information with regard to participation in the Annual General Meeting.

This document consists of:
1. Notice to Shareholders
2. Shareholders' Diary
3. Notes to the Notice of the Annual General Meeting
4. Proxy form

The holders of NBL shares ("the shareholders") and any persons who are not shareholders, but who are entitled to exercise any voting rights in relation to the resolutions to be proposed at the meeting, (collectively "the holders" or "you") as at the record date of Tuesday, 3 December 2019, are entitled to participate in and vote at the Annual General Meeting in person or by proxy/ies. A proxy need not be a person entitled to vote at the meeting. In order to be effective, proxy forms need to be forwarded to reach the registered office of the Company not less than 48 hours prior to the time for the holding of the meeting.

Notice is hereby given that the 98th Annual General Meeting of shareholders of Namibia Breweries Limited ("the Company") will be held in the auditorium of Namibia Breweries Limited at the Namibia Breweries premises, Iscor Street, Northern Industrial Area, Windhoek on Tuesday, 3 December 2019 at 11:30.

The purpose of the Annual General Meeting is for the following business to be transacted and considered and, if approved, to pass with or without modification, the following ordinary resolutions, in the manner required by the Company's Memorandum and Articles of Association ("MoA", "AoA"), the Companies Act, 2004 (No. 28 of 2004) and the Listing Requirements of the Namibian Stock Exchange ("NSX"):

1. To receive and consider and, if approved, adopt the annual financial statements and the Report of the Independent Auditors for the financial year ended 30 June 2019 as submitted, and to confirm all matters and things undertaken and discharged by the Directors on behalf of the Company.
2. To vote on the election, each by way of a separate vote, of the following Directors who are required to retire in terms of Clause 66[1] of the MoA, and who are eligible and have offered themselves for re-election:
   - 2.1 Peter Grüttemeyer
   - 2.2 Roland Pirmez
   - 2.3 L McLeod-Katjirua
3. To confirm the appointment of Deloitte & Touche to act as the independent auditors of the Company.
4. To authorise the Directors to determine the auditors' remuneration.
5. To approve the Directors' remuneration as set out in the financial report and as stipulated in Clause 54(a) of the MoA and AoA[2].

6. To confirm the payment of a final dividend of 50.0 cents, which had been approved by the Directors, to the holders of ordinary shares, registered in the books of the Company at the close of business on 4 October 2019, payable on 8 November 2019.

7. To transact such other business as may be transacted at an Annual General Meeting.

By order of the Board

Chairman
S Thieme

Company Secretary
Ohlthaver & List Centre (Proprietary) Limited
Windhoek

4 September 2019

[1] *Clauses 66 and 67 provide that, at every annual general meeting held in each calendar year, 1/3 (one-third) of the Directors, or if their number is not three or a multiple of 3 (three), then the number nearest to 1/3 (one-third) (excluding the Executive), will retire from office. The Directors to retire in every year will be those that have been longest in office since their last election. Clause 68 states that: "A retiring Director is eligible for re-election."*

[2] *Clause 54(a) states that the remuneration of the Directors "shall from time to time be determined by the Company in at a general meeting".*

SHAREHOLDERS' DIARY

Annual General Meeting: Tuesday, 3 December 2019 at 11:30

Reports published		
Interim financial report	15 March 2019	
Annual financial statements	13 September 2019	
Dividends	**Declared**	**Paid**
Interim	19 March 2019	17 May 2019
Final	4 September 2019	8 November 2019

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. This document is addressed to all shareholders and proxy holders.
2. If you are a beneficial holder of NBL securities you may attend and vote at the Annual General Meeting, provided that your name is on the Company's register of disclosures as the holder of the beneficial interest, or you hold a proxy.
3. If you are in any doubt as to what action you should take arising from this document, please consult your broker, banker, attorney, accountant or other appropriate professional advisor immediately.
4. An electronic copy of the location of the venue of the meeting may be obtained from NBL's website at www.namibiabreweries.com.

PROXY FORM

for the 98th Annual General Meeting of

NAMIBIA BREWERIES LIMITED
Registration number 2/1920

The Secretaries
Namibia Breweries Limited
PO Box 16, Windhoek, Namibia

I/we (name in full)

of (address)

being a shareholder of (number of shares) of the above-mentioned Company, hereby appoint

(a) (name); or failing him/her

(b) (name); or failing him/her

(c) (name)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 98th Annual General Meeting of the Company to be held in the auditorium of Namibia Breweries Limited at the Namibia Breweries premises, Iscor Street, Northern Industrial Area, Windhoek on Tuesday, 3 December 2019 at 11:30 and at any adjournment thereof, in particular to vote for/against/abstain* with regard to the resolutions contained in the Notice of the meeting.

I/we desire as follows:

Item Number*		For	Against	Abstain
1.	Adoption of the annual financial statements			
2.	Re-election of retiring Directors			
2.1	Peter Grüttemeyer			
2.2	Roland Pirmez			
2.3	L McLeod-Katjirua			
3.	Appointment of Deloitte & Touche as external auditors of the Company			
4.	Authorisation of Directors to approve auditors' remuneration			
5.	Approval of Directors' remuneration			
6.	Approval of the final dividend			

** Please indicate by inserting an "X" in the appropriate block, either "for/against/abstain". If no indication is given, the proxy may vote as he/she deems fit.*

Signed at on this day of 2019.

Signature of shareholder

NOTES TO THE PROXY

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.
2. Shareholders who wish to appoint proxies must lodge their proxy forms at the registered office of the Company not later than 12:00 on Tuesday, 26 November 2019.
3. In respect of shareholders that are companies, an extract of the relevant resolution of Directors must be attached to the proxy form.